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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Allied Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE SECURITIES
AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Allied Group Limited (“Company”) to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 18th June, 2010 at 2:30 p.m. is set out on pages 13 to 17 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the registered office of the Company at 22nd Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the meeting or any adjournment thereof if they so wish.

18th May, 2010

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DEFINITIONS

In this circular (other than in the notice of AGM), unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	annual general meeting of the Company to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 18th June, 2010 at 2:30 p.m. or any adjournment thereof
“Articles”	articles of association of the Company
“Board”	board of Directors
“Company”	Allied Group Limited, a company incorporated in Hong Kong with limited liability, with its shares listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	13th May, 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Lee and Lee Trust”	Lee and Lee Trust, a substantial shareholder of the Company, which was interested in 108,626,492 Shares, representing approximately 52.39% of the issued share capital of the Company as at the Latest Practicable Date and which is a discretionary trust
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Repurchase Code”	Hong Kong Code on Share Repurchases
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of nominal value of HK\$2.00 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“2009 Annual Report”	annual report of the Company for the year ended 31st December, 2009
“%”	per cent.

LETTER FROM THE BOARD



ALLIED GROUP LIMITED
(聯合集團有限公司)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 373)

Executive Directors:

Lee Seng Hui (*Chief Executive*)

Edwin Lo King Yau

Mak Pak Hung

Non-Executive Directors:

Arthur George Dew (*Chairman*)

Lee Su Hwei

Independent Non-Executive Directors:

Wong Po Yan

David Craig Bartlett

John Douglas Mackie

Alan Stephen Jones

Registered Office:

22nd Floor

Allied Kajima Building

138 Gloucester Road

Wanchai

Hong Kong

18th May, 2010

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE SECURITIES
AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM relating to, among other things, (i) the re-election of Directors; and (ii) the granting to the Directors of general mandates to issue securities of the Company and repurchase Shares up to 20% and 10% respectively of the aggregate nominal amount of the Company's issued share capital as at the date of the passing of such resolutions.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

The Board currently consists of nine Directors, namely Messrs. Arthur George Dew, Lee Seng Hui, Edwin Lo King Yau and Mak Pak Hung, Ms. Lee Su Hwei, Messrs. Wong Po Yan, David Craig Bartlett, John Douglas Mackie and Alan Stephen Jones.

Pursuant to Article 105(A) of the Articles, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office such that each Director (including those appointed for a specific term) will be subject to retirement by rotation at least once every three years at the annual general meeting, provided always that any Director appointed pursuant to Article 96 of the Articles shall not be taken into account in determining the Directors who are to retire by rotation at such meeting. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election. Pursuant to Article 96 of the Articles, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election.

Pursuant to Article 105(A) of the Articles, Mr. Arthur George Dew, Ms. Lee Su Hwei and Mr. John Douglas Mackie shall retire from office by rotation and, being eligible, offer themselves for re-election at the AGM. All the retiring Directors are eligible for re-election at the AGM.

Article 109 of the Articles provides that no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been given to the Company during the period commencing no earlier than the day after the despatch of the notice of the general meeting appointed for such election and ending no later than seven days prior to the date of such general meeting.

Accordingly, if a Shareholder wishes to nominate a person to stand for election as a Director at the AGM, notice in writing of his intention to propose such person for election as a Director and the notice in writing executed by the nominee of his willingness to be elected must be validly served at the registered office of the Company at 22nd Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong on or before 10th June, 2010.

Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any directors proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting.

LETTER FROM THE BOARD

Brief biographical details of the retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix I to this circular. If a valid notice from a Shareholder to propose a person to stand for election as a Director at the AGM is received after the printing of this circular, the Company will issue a supplementary circular to inform the Shareholders of the details of the additional candidate proposed.

GENERAL MANDATES TO ISSUE SECURITIES AND REPURCHASE SHARES

At the annual general meeting of the Company held on 15th June, 2009, ordinary resolutions were passed for the granting of general mandates to the Directors (i) to allot, issue or otherwise deal with additional securities of the Company up to 20% of the aggregate nominal amount of the share capital of the Company in issue as at that date (“Existing Issue Mandate”), being 48,784,484 Shares; and (ii) to repurchase Shares up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at that date (“Existing Repurchase Mandate”), being 24,392,242 Shares.

The Existing Issue Mandate and the Existing Repurchase Mandate will expire upon the conclusion of the AGM. The Directors consider that the Existing Issue Mandate and the Existing Repurchase Mandate increase the flexibility in dealing of the Company’s affairs and are in the interests of both the Company and the Shareholders as a whole, and that the same shall continue to be adopted by the Company.

New general mandates to allot, issue or otherwise deal with additional securities of the Company up to 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the resolution as set out in Resolution No. 5(A) of the notice of AGM will be proposed at the AGM. Subject to the passing of the resolution granting the proposed mandate to issue securities of the Company and on the basis that no further securities are issued or repurchased before the AGM, the Company will be allowed under such mandate to issue a maximum of 41,466,812 Shares, representing 20% of the issued share capital of the Company as at the Latest Practicable Date. In addition, a new general mandate to repurchase Shares up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the resolution (“Share Repurchase Mandate”) as set out in Resolution No. 5(B) of the notice of AGM will also be proposed at the AGM. A resolution authorising the extension of the general mandate to the Directors to issue securities of the Company to include the aggregate nominal amount of such Shares repurchased (if any) under the Share Repurchase Mandate is to be proposed as Resolution No. 5(C) of the notice of AGM at the AGM.

With reference to the proposed new general mandates, the Directors, as at the date hereof, wish to state that they have no immediate plans to issue any new securities of the Company pursuant to the relevant mandates.

An explanatory statement containing the particulars required by the Listing Rules to enable the Shareholders to make an informed view on whether to vote for or against Resolution No. 5(B) to be proposed at the AGM in relation to the proposed Share Repurchase Mandate is set out in Appendix II to this circular.

LETTER FROM THE BOARD

AGM

The Notice of AGM to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 18th June, 2010 at 2:30 p.m. is set out on pages 13 to 17 of this circular. A copy of the 2009 Annual Report of the Company has been despatched to the Shareholders. Ordinary resolutions in respect of the re-election of the Directors and the general mandates to issue securities of the Company and repurchase Shares will be proposed at the AGM.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all resolutions will be put to vote by way of poll at the AGM. Any announcement on the results of the vote by poll will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the registered office of the Company at 22nd Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the AGM or any adjournment thereof if they so wish.

RECOMMENDATION

The Directors consider that the proposed ordinary resolutions for approval of the re-election of the retiring Directors, the grant of general mandates to issue securities of the Company and repurchase Shares, and to add the aggregate nominal amount of Shares that may be repurchased to the aggregate nominal amount of the Shares that may be allotted pursuant to the general mandate to issue securities of the Company are each in the best interests of the Company and the Shareholders as a whole, and accordingly, recommend all Shareholders to vote in favour of the resolutions to be proposed at the AGM.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular. The English text of this circular shall prevail over the Chinese text.

Yours faithfully,
For and on behalf of the Board
Allied Group Limited
Arthur George Dew
Chairman

The biographical details of the Directors proposed to be re-elected at the forthcoming AGM are set out as follows:

Mr. Arthur George Dew, aged 68, Chairman of the Company since January 2007, was appointed an Independent Non-Executive Director of the Company in December 1995 and re-designated as a Non-Executive Director of the Company in July 2002. He graduated from the Law School of the University of Sydney, Australia, and was admitted as a solicitor and later as a barrister of the Supreme Court of New South Wales, Australia. He is currently a non-practising barrister. He has a broad range of corporate and business experience and has served as a director, and in some instances chairman of the board of directors, of a number of public companies listed in Australia, Hong Kong and elsewhere. He is also the chairman and a non-executive director of each of Allied Properties (H.K.) Limited (“APL”) and Quality HealthCare Asia Limited (“QHA”) and a non-executive director of SHK Hong Kong Industries Limited (“SHK HK IND”, formerly known as Yu Ming Investments Limited). Save as disclosed above, Mr. Dew did not hold any other directorship in listed public companies in Hong Kong or overseas during the past three years. Mr. Dew was previously a non-executive director in approximately 1980 of an Australian agricultural company known as New England Agricultural Corp. Ltd. which company entered into a scheme of arrangement (the “Scheme”) with its creditors and shareholders in approximately 1980 at a time when Mr. Dew was a non-executive director. Insofar as Mr. Dew can recollect, the approximate value involved in the Scheme was approximately AUD\$2 million and the Scheme was completed in approximately 1981.

A service contract which forms the basis of emoluments has been entered into between the Company and Mr. Dew pursuant to which (a) his term of appointment shall continue until 31st December, 2010, subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles or any other applicable laws from time to time whereby he shall vacate his office; and (b) he is entitled to a total package equivalent to HK\$1,500,000 per annum (including the Company’s provision of accommodation to him in Hong Kong) for (i) his positions in the Company, APL and QHA, both being non wholly-owned subsidiaries of the Company; and (ii) his consultancy services in each of Sun Hung Kai & Co. Limited, a non wholly-owned subsidiary of the Company, Yu Ming Investment Management Limited, a wholly-owned subsidiary of the Company and Tian An China Investments Company Limited, an associate of the Company. A service contract has been entered into between SHK HK IND, a non wholly-owned subsidiary of the Company, and Mr. Dew pursuant to which he is entitled to a remuneration package to be determined by the board of directors of SHK HK IND, approved by shareholders of SHK HK IND and payable by SHK HK IND separately. Save as disclosed above, Mr. Dew did not have any relationship with any Director, senior management, substantial or controlling shareholder of the Company nor had he any interests in the shares of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date. Mr. Dew is not aware of any other matter that need to be brought to the attention of the Shareholders.

Pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules, there is no other information in relation to Mr. Dew to be disclosed.

Ms. Lee Su Hwei, aged 39, was appointed a Non-Executive Director of the Company in May 2000. She holds a Bachelor of Economics Degree from the University of Sydney and has experience as an investment analyst and in the securities industry generally in Hong Kong and the region. She is the sister of Mr. Lee Seng Hui, the Chief Executive and Executive Director of the Company. Save as disclosed above, Ms. Lee did not hold any other directorship in listed public companies in Hong Kong or overseas during the past three years.

Ms. Lee, Mr. Lee Seng Hui and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust. They together owned approximately 52.40% interests of the issued share capital of the Company as at the Latest Practicable Date and were therefore deemed to have interests in the shares of the Company within the meaning of Part XV of the SFO.

A service contract has been entered into between the Company and Ms. Lee pursuant to which her term of appointment shall continue until 31st December, 2010, subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles or any other applicable laws from time to time whereby she shall vacate her office. Save as disclosed above, Ms. Lee did not have any relationship with any Director, senior management, substantial or controlling shareholder of the Company nor had she any interests in the shares of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date. Ms. Lee is not aware of any other matter that need to be brought to the attention of the Shareholders.

Pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules, there is no other information in relation to Ms. Lee to be disclosed.

Mr. John Douglas Mackie, aged 81, was appointed an Independent Non-Executive Director of the Company in February 2004. He is the founder and chairman of JDM Associates Limited, and was a major shareholder of a group of companies which is a leading distributor of sports and leisure merchandise in Hong Kong. Graduated from the University of Western Australia and Harvard Business School, Mr. Mackie has over fifty years of performance orientated experience as chief executive officer and lately sole proprietor serving in general, marketing consultancy and representation, and has had extensive experience and successes in agency distribution, manufacturing – proprietary and franchised retailing – supermarket, drugstore specialised products and sourcing. He is also an independent non-executive director of APL. Save as disclosed above, Mr. Mackie did not hold any other directorship in listed public companies in Hong Kong or overseas during the past three years.

A service contract which forms the basis of emoluments has been entered into between the Company and Mr. Mackie pursuant to which (i) his term of appointment shall continue until 31st December, 2010, subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles or any other applicable laws from time to time whereby he shall vacate his office; and (ii) he is entitled to a consultancy fee of HK\$100,000 per annum. A service contract has been entered into between APL, a non wholly-owned subsidiary of the Company, and Mr. Mackie pursuant to which he is entitled to a consultancy fee of HK\$50,000 per annum. Save as disclosed above, Mr. Mackie did not have any relationship with any Director, senior management, substantial or controlling shareholder of the Company nor had he any interests in the shares of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date. Mr. Mackie is not aware of any other matter that need to be brought to the attention of the Shareholders.

Pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules, there is no other information in relation to Mr. Mackie to be disclosed.

This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the AGM in relation to the proposed Share Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was HK\$414,668,120 divided into 207,334,060 Shares.

Subject to the passing of the resolution granting the proposed mandate to repurchase Shares and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 20,733,406 Shares during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole for the Directors to have a general authority from the Shareholders to enable the Company to repurchase Shares on the Stock Exchange. Such repurchases may, depending on market conditions, and funding arrangements at the time, lead to an enhancement of the net asset value per share and/or earnings per share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company and in circumstances where they consider that the Shares can be repurchased on the terms favourable to the Company. On the basis of the consolidated financial position of the Company as at 31st December, 2009, being the date to which the latest published audited financial statements of the Company were made up, the Directors consider that if the general mandate to repurchase Shares were to be exercised in full at the currently prevailing market value, it may have an adverse impact on the working capital and gearing level of the Company.

The Directors do not propose to exercise the mandate to repurchase Shares to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company as compared with the position disclosed in the latest published audited financial statements of the Company or the gearing level, which in the opinion of the Directors, are from time to time appropriate for the Company.

FUNDING OF REPURCHASES

Repurchases to be made pursuant to the proposed mandate to repurchase Shares would be financed out of funds legally available for such purpose in accordance with the Company's Memorandum of Association and the Articles and the applicable laws of Hong Kong and the Listing Rules. Such funds include, but are not limited to, profits available for distribution.

EFFECT OF THE TAKEOVERS CODE AND REPURCHASE CODE

Upon the exercise of the power to repurchase Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, and such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code and Rule 6 of the Repurchase Code. Accordingly, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and, depending on the level of increase of the Shareholders' interest, may become obliged to make a mandatory general offer in accordance with Rules 26 and 32 of the Takeovers Code.

Name of Shareholders	Number of Shares held	Approximate % of the issued share capital	Notes	Approximate % of the issued share capital should the Share Repurchase Mandate be exercised in full
Minty Hongkong Limited ("Minty")	75,844,692	36.58%	–	40.64%
Lee and Lee Trust and parties acting in concert with it	108,649,413	52.40%	1, 2 and 3	58.22%

Notes:

1. Minty is wholly-owned by the trustees of Lee and Lee Trust, being a discretionary trust.
2. Mr. Lee Seng Hui and Ms. Lee Su Hwei, Directors, together with Mr. Lee Seng Huang, are the trustees of Lee and Lee Trust, and were therefore deemed to have an interest in the Shares in which Minty was interested.
3. This figure includes 75,844,692 Shares held by Minty.

As at the Latest Practicable Date, Lee and Lee Trust and parties acting in concert with it were beneficially interested in 108,649,413 Shares, representing approximately 52.40% of the issued share capital of the Company.

Based on such interest in the Shares and in the event that the Directors exercise in full the power to repurchase Shares under the Share Repurchase Mandate and assuming that no further Shares are issued or repurchased prior to the AGM, the interest of Lee and Lee Trust together with parties acting in concert with it will be increased to approximately 58.22% of the issued share capital of the Company. To the best of the knowledge and belief of the Directors, such increase in the interest of Lee and Lee Trust together with parties acting in concert with it will not give rise to an obligation to make a mandatory general offer under Rules 26 and 32 of the Takeovers Code. The Directors have no present intention to repurchase Shares to the extent that it will result in the amount of Shares held by the public being reduced to less than 25% of the total issued share capital of the Company if the Share Repurchase Mandate is approved at the AGM.

In the event that the Share Repurchase Mandate is exercised in full, the number of Shares held by the public will not fall below 25% of the total number of Shares in issue in compliance with the public float requirement stated by the Listing Rules.

PRICE OF THE SHARES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the last twelve months:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2009		
May	18.00	14.24
June	19.40	17.08
July	18.78	16.22
August	18.58	16.50
September	19.00	16.50
October	18.50	18.00
November	19.40	17.98
December	21.20	19.70
2010		
January	21.55	19.20
February	20.20	19.48
March	22.30	19.94
April	30.00	22.80
May (up to the Latest Practicable Date)	28.50	25.10

REPURCHASE OF SHARES

A conditional cash offer by Yu Ming Investment Management Limited on behalf of the Company to repurchase up to 36,588,363 shares for HK\$18.50 per Share with a consideration of HK\$676,884,715.50 was declared unconditional on 13th November, 2009 and the cancellation of the entire 36,588,363 shares was completed on 3rd December, 2009. Save as disclosed above, the Company has not purchased any of its Shares on the Stock Exchange or otherwise, during the six months immediately preceding the Latest Practicable Date (i.e. from 14th November, 2009 to 13th May, 2010).

GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company or its subsidiaries.

No connected persons of the Company (as defined in the Listing Rules) have notified the Company that they have a present intention to sell any Shares to the Company, or have undertaken not to do so in the event that the Company is authorised to make repurchases of the Shares.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Repurchase Mandate to repurchase any Shares in accordance with the Listing Rules and the applicable laws of Hong Kong.

NOTICE OF AGM



ALLIED GROUP LIMITED (聯合集團有限公司)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 373)

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“Meeting”) of Allied Group Limited (聯合集團有限公司) (“Company”) will be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 18th June, 2010 at 2:30 p.m. for the following purposes:

1. To receive and adopt the Audited Financial Statements and the Reports of the Directors and Auditor for the year ended 31st December, 2009.
2. To declare a final dividend.
3. (A) To re-elect Mr. Arthur George Dew as a Director.

(B) To re-elect Ms. Lee Su Hwei as a Director.

(C) To re-elect Mr. John Douglas Mackie as a Director.
4. To re-appoint Deloitte Touche Tohmatsu as Auditor and authorise the Board of Directors to fix its remuneration.
5. To consider as special business and, if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:

ORDINARY RESOLUTIONS

- (A) “**THAT:**
- (a) subject to paragraph (c) of this Resolution, the exercise by the directors of the Company (“Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares of the Company (“Shares”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements and options which might require the exercise of such powers, be and is hereby generally and unconditionally approved;

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- (b) the approval given in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval given in paragraph (a) of this Resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined);
 - (ii) the exercise of any options granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares; or
 - (iii) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares pursuant to the articles of association of the Company from time to time;

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution and the said approval shall be limited accordingly;

- (d) subject to the passing of each of the paragraphs (a), (b) and (c) of this Resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (e) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and

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- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares at that date (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

(B) **“THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Hong Kong Code on Share Repurchases, subject to and in accordance with all applicable laws and regulations, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the Shares which may be repurchased by the Company pursuant to paragraph (a) of this Resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Resolution, and the approval granted under paragraph (a) of this Resolution shall be limited accordingly;
- (c) subject to the passing of each of the paragraphs (a) and (b) of this Resolution, any prior approvals of the kind referred to in paragraphs (a) and (b) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and

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(d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

(C) “**THAT** conditional upon the passing of Resolution Nos. 5(A) and 5(B) as set out in the notice convening the Meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue or otherwise deal with additional securities of the Company pursuant to Resolution No. 5(A) as set out in the notice convening the Meeting be and is hereby extended by the addition thereto an amount representing the aggregate nominal amount of the Shares repurchased by the Company under the authority granted pursuant to Resolution No. 5(B) as set out in the notice convening the Meeting, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Resolution.”

By Order of the Board
Allied Group Limited
Winnie Lui Mei Yan
Company Secretary

Hong Kong, 18th May, 2010

Registered Office:
22nd Floor
Allied Kajima Building
138 Gloucester Road
Wanchai
Hong Kong

NOTICE OF AGM

Notes:

1. *A member of the Company entitled to attend and vote at the Meeting will be entitled to appoint one or more proxies to attend and, on a poll, vote in his or her stead. A proxy need not be a member of the Company.*
2. *A form of proxy in respect of the Meeting is enclosed. Whether or not you intend to attend the Meeting in person, you are urged to complete and return the form of proxy in accordance with the instructions printed thereon. Completion and return of the form of proxy will not preclude you from attending the Meeting and voting in person if you so wish. In the event that you attend the Meeting after having lodged the form of proxy, it will be deemed to have been revoked.*
3. *To be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited at the registered office of the Company at 22nd Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong, not less than 48 hours before the time fixed for the Meeting or any adjournment thereof.*
4. *Where there are joint holders of any Shares, any one of such joint holders may vote at the Meeting either personally or by proxy in respect of such Shares as if he or she was solely entitled thereto, but if more than one of such joint holders are present at the Meeting personally or by proxy, that one of such joint holders so present whose name stands first on the register of members of the Company shall alone be entitled to vote in respect of such Shares.*
5. *The register of members of the Company will be closed from Monday, 14th June, 2010 to Friday, 18th June, 2010 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for the final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 11th June, 2010. Subject to approval by the Shareholders at the Meeting, dividend warrants are expected to be despatched to the Shareholders by post on or around Tuesday, 6th July, 2010.*
6. *In respect of Resolution No. 5(A) above, the Directors wish to state that they have no immediate plans to issue any new securities of the Company under this mandate. Approval is being sought from members as a general mandate, in compliance with the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, in order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to issue any securities of the Company up to 20% of the issued share capital of the Company at the date of the passing of the resolution.*
7. *The general purpose of the authority to be conferred on the Directors by Resolution No. 5(B) above is to increase flexibility and to provide discretion to the Directors in the event that it becomes desirable to repurchase Shares representing up to a maximum of 10% of the issued share capital of the Company at the date of the passing of the resolution on the Stock Exchange.*