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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)

**TERMINATION OF DISPOSAL OF SHARES IN
SHK HONG KONG INDUSTRIES LIMITED**

Reference is made to the announcements of Allied Group Limited (the “Company”) dated 10th December, 2010, 25th January, 2011 and 24th February, 2011 in relation to the Company’s proposed disposal of shares in its indirect non wholly-owned subsidiary, SHK Hong Kong Industries Limited (“Announcements”). Terms defined in the Announcements have the same meanings when used herein unless otherwise defined.

In view of the current unstable situation in both Japan and North Africa, Bright Clear and the Purchaser have, at the Purchaser’s request, entered into a termination agreement (“Termination Agreement”) on 24th March, 2011 whereby the parties have agreed to terminate *ab initio* the Agreement as varied by two supplementary agreements dated 25th January, 2011 and 24th February, 2011 (collectively “Principal Agreement”). Pursuant to the Termination Agreement the parties will mutually release each other from any liabilities including pursuit of liquidated damages by Bright Clear pursuant to the Agreement and the Deposit will be returned to the Purchaser.

By order of the Board
Allied Group Limited
Edwin Lo King Yau
Executive Director

Hong Kong, 24th March, 2011

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, John Douglas Mackie and Alan Stephen Jones being the Independent Non-Executive Directors.