
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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, the accompanying form of proxy and the 2018 Annual Report 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, 24th May, 2019 at 10:00 a.m. is set out on pages 16 to 20 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 Company’s share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, 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, provided that no account is to be taken of any part of a day that is a public holiday. Completion and return of the form of proxy will not preclude the shareholders of the Company from attending and voting in person at the meeting or any adjournment thereof if they so wish.

18th April, 2019

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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, 24th May, 2019 at 10:00 a.m. or any adjournment thereof
“Articles of Association”	the articles of association of the Company
“Board”	board of Directors
“Company”	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
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“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
“INED(s)”	independent non-executive Director(s)
“Latest Practicable Date”	11th April, 2019, 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 131,706,380 Shares, representing approximately 74.93% of the total number of Shares in issue as at the Latest Practicable Date and which is a discretionary trust
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of the Company
“Share Buy-backs Code”	Hong Kong Code on Share Buy-backs

DEFINITIONS

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“2018 Annual Report”	annual report of the Company for the year ended 31st December, 2018
“%”	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:

David Craig Bartlett

Alan Stephen Jones

Lisa Yang Lai Sum

Registered Office:

22nd Floor

Allied Kajima Building

138 Gloucester Road

Wanchai

Hong Kong

18th April, 2019

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 total number of Shares in issue as at the date of the passing of such resolutions.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the Board consists of eight (8) Directors, namely Messrs. Arthur George Dew, Lee Seng Hui, Edwin Lo King Yau, Mak Pak Hung, Ms. Lee Su Hwei, Messrs. David Craig Bartlett, Alan Stephen Jones and Ms. Lisa Yang Lai Sum.

Pursuant to Article 105(A) of the Articles of Association, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), 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 (3) years at the annual general meeting, provided always that any Director appointed pursuant to Article 96 of the Articles of Association 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 of Association, 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 of Association, Messrs. Arthur George Dew, David Craig Bartlett and Alan Stephen Jones shall retire from office by rotation and, being eligible, offer themselves for re-election at the AGM.

Further, pursuant to the code provision of A.4.3 of the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules, if an independent non-executive director serves more than nine (9) years, his further appointment should be subject to a separate resolution to be approved by shareholders.

Messrs. David Craig Bartlett and Alan Stephen Jones have served as INEDs for more than nine (9) years. The Company has received from each of Mr. Bartlett and Mr. Jones an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and the nomination committee of the Company has assessed and is satisfied of the independence of Mr. Bartlett and Mr. Jones. Neither Mr. Bartlett nor Mr. Jones had or has any management role in the Group and none of them has any relationship with any Director, senior management, substantial or controlling shareholder of the Company. The Board therefore recommends the re-election of Mr. Bartlett and Mr. Jones as INEDs notwithstanding the fact that they have served the Company for more than nine (9) years.

Article 109 of the Articles of Association 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 (7) days prior to the date of such general meeting.

LETTER FROM THE BOARD

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 16th May, 2019.

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.

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 25th May, 2018, 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 total number of Shares in issue as at that date ("Existing Issue Mandate"), being 35,150,823 Shares; and (ii) to repurchase Shares up to 10% of the total number of Shares in issue of the Company as at that date ("Existing Repurchase Mandate"), being 17,575,411 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 total number of Shares in issue as at the date of passing the resolution as set out in Resolution No. 4(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 Shares are issued or repurchased before the AGM, the Company will be allowed under such mandate to issue a maximum of 35,150,823 Shares, representing 20% of the total number of Shares in issue as at the Latest Practicable Date. In addition, a new general mandate to repurchase Shares up to 10% of the total number of Shares in issue as at the date of passing the resolution ("Share Repurchase Mandate") as set out in Resolution No. 4(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 total number of such Shares repurchased (if any) under the Share Repurchase Mandate is to be proposed as Resolution No. 4(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.

LETTER FROM THE BOARD

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. 4(B) to be proposed at the AGM in relation to the proposed Share Repurchase Mandate is set out in Appendix II to this circular.

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, 24th May, 2019 at 10:00 a.m. is set out on pages 16 to 20 of this circular. A copy of the 2018 Annual Report is despatched to the Shareholders together with this circular. Ordinary resolutions in respect of, inter alia, the re-election of 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 except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The resolutions to be proposed at the AGM do not relate purely to a procedural or administrative matter. Accordingly, all resolutions set out in the notice of AGM will be put to vote by way of poll at the AGM. An 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 Company's share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, 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, provided that no account is to be taken of any part of a day that is a public holiday. 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, which include Messrs. David Craig Bartlett and Alan Stephen Jones, being the INEDs, who have served the Company for more than nine (9) years, the grant of general mandates to issue securities of the Company and repurchase Shares, and to add the total number of Shares that may be repurchased to the total number of 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.

LETTER FROM THE BOARD

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 77, Chairman of the Company since January 2007, was appointed an INED of the Company in December 1995 and re-designated as a Non-Executive Director of the Company in July 2002. Mr. Dew is also a director of a subsidiary of the Company. 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”), APAC Resources Limited (“APAC”) and Dragon Mining Limited (“Dragon Mining”), and a non-executive director of each of SHK Hong Kong Industries Limited (“SHK HK IND”) and Tian An Australia Limited (“Tian An Australia”). He is also a non-executive director of Tanami Gold NL (“Tanami Gold”) and subsequently appointed as non-independent chairman in November 2018. Tian An Australia and Tanami Gold are companies listed on the Australian Securities Exchange. 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, 2020, subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles of Association 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\$1,920,000 per annum (including the Company’s provision of accommodation to him in Hong Kong) for (i) his positions in the Company and APL, a non wholly-owned subsidiary of the Company; (ii) his services provided to each of Sun Hung Kai & Co. Limited, a non wholly-owned subsidiary of the Company, and Tian An China Investments Company Limited, an associate of the Company, via the management service agreement between these companies and the Company; and (iii) his position in APAC, an associate of the Company. The remuneration of Mr. Dew was determined with reference to the recommendation of the remuneration committee of the board of directors of the Company, the prevailing market conditions and the terms of the Company’s remuneration policy. 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 within the meaning of Part XV of the SFO as at the Latest Practicable Date.

There are no other matters or information in relation to Mr. Dew’s re-election that need to be brought to the attention of the Shareholders or to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

Mr. David Craig Bartlett, aged 53, was appointed an INED of the Company in December 1999. He graduated with honours in law from Exeter University in the United Kingdom in 1988 and subsequently qualified as a solicitor in England & Wales, The Republic of Ireland and the Hong Kong Special Administrative Region. A former partner of the international law firm Clyde & Co., he regularly acted for and advised the Company and its subsidiaries before leaving private practice for a career in industry. Now based primarily in England, Mr. Bartlett is also an independent non-executive director of each of APL and SHK. Save as disclosed above, Mr. Bartlett did not hold any other directorship in listed public companies in Hong Kong or overseas during the past three years.

In considering Mr. Bartlett's re-election, the Board, with the assistance and recommendation from the nomination committee of the board of directors of the Company ("Board"), has reviewed the structure, size, composition and diversity of the Board from a number of aspects, including but not limited to age, gender, nationality, length of service, and the professional experience, skills and expertise Mr. Bartlett can provide. The Board is of the view that during his tenure as an INED of the Company, Mr. Bartlett has made positive contributions to the Company's strategy, policies and performance with his independent advice, comments, judgment from the perspective of his legal background coupled with his general understanding of business of the Group. He also contributes to the diversity of the Board particularly because of his nationality. Holding not more than seven listed company directorship, he is able to devote sufficient time and attention to perform the duties as an Independent Non-Executive Director. In view of the above, Mr. Bartlett's re-election is considered to be of benefit to the Company.

A service contract which forms the basis of emoluments has been entered into between the Company and Mr. Bartlett, pursuant to which (i) his term of appointment shall continue until 31st December, 2020, subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles of Association or any other applicable laws from time to time whereby he shall vacate his office; and (ii) he is entitled to a service fee of HK\$98,000 per annum (together with all appropriate travel and accommodation expenses for attending relevant meetings of the Company in Hong Kong as required by the Company). A service contract has been entered into between APL and Mr. Bartlett, pursuant to which he is entitled to a service fee of HK\$66,000 per annum. A letter of appointment has been entered into between SHK and Mr. Bartlett, pursuant to which he is entitled to a consultancy fee of HK\$230,000 per annum (together with all appropriate travel and accommodation expenses for attending relevant meetings of SHK in Hong Kong as required by SHK). He is also entitled to a director's fee of HK\$20,000 per annum from SHK. The remuneration of Mr. Bartlett was determined with reference to the recommendation of the remuneration committee of the Board, the prevailing market conditions and the terms of the Company's remuneration policy.

Save as disclosed above, Mr. Bartlett 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 within the meaning of Part XV of the SFO as at the Latest Practicable Date. Mr. Bartlett has also given an annual confirmation of his independence to the Company pursuant to Rule 3.13 of the Listing Rules and is considered by the Board to be independent notwithstanding the fact that he has served as a Director for more than nine (9) years after taking into account the fact that he does not have any management role in the Company nor any relationship with any Director, senior management, substantial or controlling shareholder of the Company, his experience and his past contributions to governance.

There are no other matters or information in relation to Mr. Bartlett's re-election that need to be brought to the attention of the Shareholders or to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

Mr. Alan Stephen Jones, aged 75, was appointed an INED of the Company in January 2006. Mr. Jones, a chartered accountant, has extensive experience in management, administration, accounting, property development, carpark management, finance and trading, and has been involved in successful mergers and acquisitions of a number of public companies in Australia and internationally. Mr. Jones is an independent non-executive director of each of APL and SHK. He is also an independent non-executive director of Mount Gibson Iron Limited, a company listed on the Australian Securities Exchange, and a non-executive chairman of Air Change International Limited, a company listed on the National Stock Exchange of Australia Limited. He is also a non-executive director of Mulpha Australia Limited. Save as disclosed above, Mr. Jones did not hold any other directorship in listed public companies in Hong Kong or overseas during the past three years.

In considering Mr. Jones' re-election, the Board, with the assistance and recommendation from the nomination committee of the board of directors of the Company ("Board"), has reviewed the structure, size, composition and diversity of the Board from a number of aspects, including but not limited to age, gender, nationality, length of service, and the professional experience, skills and expertise Mr. Jones can provide. The Board is of the view that during his tenure as an Independent Non-Executive Director of the Company, Mr. Jones has made positive contributions to the Company's strategy, policies and performance with his independent advice, comments, judgment from the perspective of his financial background coupled with his general understanding of business of the Group. He also contributes to the diversity of the Board particularly because of his nationality. Holding not more than seven listed company directorship, he is able to devote sufficient time and attention to perform the duties as an Independent Non-Executive Director. In view of the above, Mr. Jones' re-election is considered to be of benefit to the Company.

A service contract which forms the basis of emoluments has been entered into between the Company and Mr. Jones pursuant to which (i) his term of appointment shall continue until 31st December, 2020, subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles of Association or any other applicable laws from time to time whereby he shall vacate his office; and (ii) he is entitled to a service fee of HK\$261,000 per annum (together with all appropriate travel and accommodation expenses for attending relevant meetings of the Company in Hong Kong as required by the Company). A service contract has been entered into between APL and Mr. Jones, pursuant to which he is entitled to a service fee of HK\$261,000 per annum (together with all appropriate travel and accommodation expenses for attending relevant meetings of APL in Hong Kong as required by APL). A letter of appointment has been entered into between SHK and Mr. Jones, pursuant to which he is entitled to a consultancy fee of HK\$293,000 per annum (together with all appropriate travel and accommodation expenses for attending relevant meetings of SHK in Hong Kong as required by SHK). He is also entitled to a director's fee of HK\$20,000 per annum from SHK. The remuneration of Mr. Jones was determined with reference to the recommendation of the remuneration committee of the board of directors of the Company, the prevailing market conditions and the terms of the Company's remuneration policy.

Save as disclosed above, Mr. Jones 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 within the meaning of Part XV of the SFO as at the Latest Practicable Date. Mr. Jones has also given an annual confirmation of his independence to the Company pursuant to Rule 3.13 of the Listing Rules and is considered by the Board to be independent notwithstanding the fact that he has served as a Director for more than nine (9) years after taking into account the fact that he does not have any management role in the Company nor any relationship with any Director, senior management, substantial or controlling shareholder of the Company, his experience and his past contributions to governance.

There are no other matters or information in relation to Mr. Jones' re-election that need to be brought to the attention of the Shareholders or to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

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.

TOTAL NUMBER OF SHARES IN ISSUE

As at the Latest Practicable Date, the total number of Shares in issue was 175,754,118 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 17,575,411 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 would 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, 2018, being the date to which the latest published audited financial statements of the Company were made up, if the general mandate to repurchase Shares was to be exercised in full at any time during the proposed repurchase period, 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 Articles of Association 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 SHARE BUY-BACKS CODE

Upon the exercise of the power to repurchase Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interests 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 Share Buy-backs 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' interests, 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 interested	Approximate % of the total number of Shares in issue	Notes	Approximate % of the total number of Shares in issue should the Share Repurchase Mandate be exercised in full
Cashplus Management Limited ("Cashplus")	55,861,688	31.78%	–	35.31%
Zealous Developments Limited ("Zealous")	55,861,688	31.78%	1, 2	35.31%
Minty Hongkong Limited ("Minty")	75,844,692	43.15%	–	47.94%
Lee and Lee Trust and parties acting in concert with it	131,729,301	74.95%	3, 4 and 5	83.27%

Notes:

- This represents the same interest of Cashplus in 55,861,688 Shares.*
- Cashplus is a wholly-owned subsidiary of Zealous. Zealous was therefore deemed to have an interest in the Shares in which Cashplus was interested.*
- Minty and Zealous are wholly-owned by the trustees of Lee and Lee Trust, being a discretionary trust.*
- Mr. Lee Seng Hui and Ms. Lee Su Hwei, both Directors, together with Mr. Lee Seng Huang, are the trustees of Lee and Lee Trust, being a discretionary trust, and were therefore deemed to have an interest in the Shares in which Minty and Zealous were interested.*
- This figure includes 75,844,692 Shares and 55,861,688 Shares held by Minty and Zealous respectively, and Mr. Lee Seng Hui's personal interests in 22,921 Shares.*

As at the Latest Practicable Date, Lee and Lee Trust and parties acting in concert with it are beneficially interested in 131,729,301 Shares, representing approximately 74.95% of the total number of Shares in issue.

Based on such interests 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 interests of Lee and Lee Trust together with the parties acting in concert with it will be increased to approximately 83.27% of the total number of Shares in issue. To the best of the knowledge and belief of the Directors, such increase in the interests 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, and the total number of Shares held by the public will be reduced to less than 25% of the total number of Shares in issue. The Directors have no present intention to repurchase Shares to the extent that it will result in the total number of Shares held by the public being reduced to less than 25% of the total number of Shares in issue if the Share Repurchase Mandate is approved at the AGM.

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:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2018		
April	51.00	47.00
May	50.00	48.20
June	50.30	49.00
July	49.00	47.50
August	50.00	48.00
September	47.00	46.00
October	45.70	40.25
November	44.00	41.85
December	44.65	43.40
2019		
January	48.40	44.45
February	47.20	46.50
March	48.50	46.80
April (up to the Latest Practicable Date)	48.80	46.00

REPURCHASE OF SHARES

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. 12th October, 2018 to 11th April, 2019).

GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company or its subsidiaries in the event that the Share Repurchase Mandate is approved by the Shareholders.

No core 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, 24th May, 2019 at 10:00 a.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, 2018.
2. (A) To re-elect Mr. Arthur George Dew as a Director.

(B) To re-elect Mr. David Craig Bartlett, an Independent Non-Executive Director who has already served the Company for more than nine (9) years, as a Director.

(C) To re-elect Mr. Alan Stephen Jones, an Independent Non-Executive director who has already served the Company for more than nine (9) years, as a Director.
3. To re-appoint Deloitte Touche Tohmatsu as Auditor and authorise the Board of Directors to fix its remuneration.
4. 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 total number of the Shares 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 the rights of subscription or conversion attaching to any warrants issued by the Company or any securities which are convertible into Shares;
 - (iii) 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
 - (iv) 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 total number of Shares in issue at the date of the 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

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(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
- (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 Buy-backs, subject to and in accordance with all applicable laws and regulations, be and is hereby generally and unconditionally approved;
- (b) the total number 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 total number of Shares 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;

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(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

(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. 4(A) and 4(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. 4(A) as set out in the notice convening the Meeting be and is hereby extended by the addition thereto a number representing the total number of the Shares repurchased by the Company under the authority granted pursuant to Resolution No. 4(B) as set out in the notice convening the Meeting, provided that such number shall not exceed 10% of the total number of Shares in issue at the date of the passing of this Resolution.”

By Order of the Board
Allied Group Limited
Lau Tung Ni
Company Secretary

Hong Kong, 18th April, 2019

Registered Office:

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

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Notes:

1. *All resolutions set out in this notice of the Meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and the results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.*
2. *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.*
3. *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.*
4. *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 Company’s share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before the time fixed for holding the Meeting or any adjournment thereof, provided that no account is to be taken of any part of a day that is a public holiday.*
5. *Where there are joint registered holders of any Share, any one of such persons may vote at the Meeting, either personally or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint registered holders be present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.*
6. *For determining the entitlement to attend and vote at the Meeting, the register of members of the Company will be closed from Monday, 20th May, 2019 to Friday, 24th May, 2019 (both days inclusive), during which period no transfer of Shares will be registered. In order for a shareholder of the Company to be eligible to attend and vote at the Meeting, 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, 17th May, 2019.*
7. *In respect of Resolution No. 4(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 Listing Rules, 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 total number of Shares in issue at the date of the passing of the resolution.*
8. *The general purpose of the authority to be conferred on the Directors by Resolution No. 4(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 total number of Shares in issue at the date of the passing of the resolution on the Stock Exchange.*