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**ALLIED GROUP LIMITED**

**聯合集團有限公司**

*(Incorporated in Hong Kong with limited liability)*

**PROPOSED OFFER  
BY**



**SUN HUNG KAI INTERNATIONAL LIMITED**

**ON BEHALF OF  
ALLIED GROUP LIMITED  
TO REPURCHASE UP TO 750,000,000 SHARES  
AT HK\$0.50 PER SHARE  
(AS TO HK\$0.15 IN CASH AND HK\$0.35 IN THE FORM OF LOAN NOTE)  
INVOLVING  
AN APPLICATION IN RESPECT OF  
THE LEE AND LEE TRUST AND PARTIES ACTING  
IN CONCERT WITH IT  
FOR A WAIVER FROM THE OBLIGATION TO MAKE A  
MANDATORY GENERAL OFFER FOR  
ALL THE SHARES IN ALLIED GROUP LIMITED  
NOT BENEFICIALLY OWNED BY THE LEE AND LEE TRUST AND PARTIES ACTING  
IN CONCERT WITH IT  
AND  
A PROPOSED REDUCTION  
OF THE SHARE PREMIUM ACCOUNT  
OF ALLIED GROUP LIMITED**

### **DELAY IN DESPATCH OF THE OFFER DOCUMENT**

As set out in the Circular, if all of the Conditions Precedent have been fully satisfied, the Company would issue the Offer Document within seven days thereafter, and the then expected despatch date was 16 July 2003.

As at the date hereof, certain Conditions Precedent are yet to be satisfied. Assuming that these remaining Conditions Precedent can be satisfied by 13 August 2003, it is anticipated that the Offer Document would be issued on 20 August 2003. The Company will make an announcement as soon as practicable when all of the Conditions Precedent are satisfied and will set out the intended despatch date of the Offer Document in that announcement.

**As the Offer is subject to the Conditions Precedent being fulfilled, it may or may not be made. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.**

Reference is made to the announcements of the Company dated 16 January 2003, 29 January 2003, 20 February 2003, 13 March 2003, 9 May 2003 and 11 June 2003 as well as the circular of the Company dated 9 May 2003 (the "Circular"). Unless the context requires otherwise, terms used herein shall have the same meanings as defined in the Circular.

### **DELAY IN DESPATCH OF THE OFFER DOCUMENT**

As set out in the Circular, if all of the Conditions Precedent have been fully satisfied, the Company would issue the Offer Document within seven days thereafter, and the then expected despatch date was 16 July 2003.

As at the date hereof, the making of the Offer is still conditional upon the fulfillment of the remaining Conditions Precedent (being the confirmation by the Court of the reduction of the share premium account of the Company and the registration of the order of the Court by the Registrar of Companies; the approval by the SFC, as required by Section 132 of the SFO, of the proposed change in the identity of the substantial shareholder of those members of the Group which are classified as Licensed Corporations; and the approval by the Hong Kong Exchanges and Clearing Limited for change of control of those members of the Group which are Exchange Participants of The Stock Exchange of Hong Kong Limited and Exchange Participants of Hong Kong Futures Exchange Limited as required by the Rules of the Exchange and the Rules, Regulations and Procedures of the Futures Exchange).

At present, the Company is awaiting the approvals of the SFC and the Hong Kong Exchanges and Clearing Limited in respect of the items stated above. The hearing of the petition for the reduction of the share premium account is scheduled to be heard on 12 August 2003. Assuming all the remaining Conditions Precedent can be satisfied by 13 August 2003, it is anticipated that the Offer Document would be issued on 20 August 2003. The Company will make an announcement as soon as practicable when all of the Conditions Precedent are satisfied and will set out the intended despatch date of the Offer Document in that announcement.

### **CONDITIONS PRECEDENT OF THE OFFER**

**As the Offer is subject to the Conditions Precedent being fulfilled, it may or may not be made. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.**

### **GENERAL**

Shareholders should read the Circular and the Offer Document carefully before taking any action in relation to the Offer. If any Shareholder is in any doubt, he should consult professional advisers.

By Order of the Board  
**Allied Group Limited**  
**Phoebe Lau Mei Yi**  
*Company Secretary*

Hong Kong, 16 July 2003

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.*