



ALLIED GROUP LIMITED

(聯合集團有限公司)

(Incorporated in Hong Kong with limited liability)
(Stock Code: 373)

Notice of Annual General Meeting

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 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Monday, 7th June, 2004 at 9:30 a.m. for the following purposes:

- To receive and adopt the Audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31st December, 2003.
- To re-elect Directors who are subject to retirement by rotation.
- To re-appoint Director appointed during the period between the last annual general meeting and the date of this Notice pursuant to article 96 of the articles of association of the Company.
- To re-appoint Messrs. Deloitte Touche Tohmatsu as Auditors and authorise the Board of Directors to fix their remuneration.
- To consider as special business and, if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:

ORDINARY RESOLUTIONS

(A) “THAT:

- 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;
- 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;
- 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:
 - a Rights Issue (as hereinafter defined);
 - the exercise of 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
 - 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; and
- for the purpose of this Resolution:

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

 - the conclusion of the next annual general meeting of the Company;
 - 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
 - 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 stand 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:

- 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;
- the aggregate nominal amount of the Share 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; and
- for the purpose of this Resolution:

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

 - the conclusion of the next annual general meeting of the Company;
 - 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
 - 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 Resolutions 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 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 Shares repurchased by the Company under the authority granted pursuant to Resolution 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.”

6. By way of special business, to consider and, if thought fit, pass the following resolution, with or without amendments, as a special resolution:

SPECIAL RESOLUTION

“THAT the articles of association of the Company (“Articles”) be and is hereby amended in the following manner:

- by adding the following new definition immediately before the definition of “Auditors” in Article 2:

““associate(s)” shall have the meaning ascribed to it under the Listing Rules;”;
- by adding the following definition immediately after the definition of “shareholders” or “members” in Article 2:

““special notice” in relation to a resolution shall have the meaning ascribed thereto under the provisions of the Companies Ordinance;”;
- by adding the words “within ten business days after” immediately after the words “within two months after allotment or” in the second line of the existing Article 16 and by re-numbering the existing Article 16 as Article 16.(A) and by adding the following new Article 16.(B):

“(B) For the purpose of Article 16.(A), “business day” shall mean any day on which the Stock Exchange is open for the business of dealing in securities; and “transfer” shall mean a transfer duly stamped and otherwise valid, and shall not include such a transfer as the Company is for any reason entitled to refuse to register and does not register.”;
- by adding the following new Article 92.(C) immediately after Article 92.(B):

“(C) Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.”;
- by adding the following new Article 97.(E) immediately after Article 97.(D):

“(E) Where a Director who has appointed a person (including another Director) to be his alternate Director, (a) such alternate Director shall not be deemed to be the agent of the Director who appoints him; and (b) a Director who appoints an alternate Director shall not be vicariously liable for any tort committed by the alternate Director while acting in the capacity of alternate Director and such alternate Director shall be liable for his own torts.”;
- by deleting the words “a special” and substituting therefor the words “an ordinary” in the first line of Article 103.(A)(vii);
- by deleting Article 104.(B)(ii) in its entirety and substituting therefor the following:

“(ii) A Director shall not vote or be counted in the quorum on any resolution of the Board approving any contract, or arrangement or any other proposal in which he or any of his associate(s) is to his knowledge has a material interest, and if he shall do so his vote shall not be counted, but this prohibition shall not apply to any contract, arrangement or other proposal for or concerning:

 - the giving of any security or indemnity either:
 - to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or

- to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security; and/or

- an offer or invitation of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer or invitation; and/or

- any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or employee or shareholder or in which the Director or his associate(s) is/are beneficially interested in shares or securities of that company, provided that the Director and any of his associate(s) are not in aggregate beneficially interested in five per cent. or more of the issued shares or securities of any class of such company (or of any third company through which his interest or that of his associate(s) is derived) or of the voting rights attached to such issued shares or securities (excluding for the purpose of calculating such five per cent. interest any indirect interest of such Director or his associate(s) by virtue of an interest of the Company in such company); and/or

- the benefit of employees of the Company or any of its subsidiaries including:

- the adoption, modification or operation of any employees’ share scheme or any share incentive or share option scheme under which the Director or his associate(s) may benefit; or

- the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to Directors, their associate(s) and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and/or

- any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest(s) in shares or debentures or other securities of the Company; and/or

- the purchase or maintenance for any Director(s) for insurance against those liabilities as stipulated in Article 182.(C).”;

- by adding the words “and/or his associate(s)” after the words “(other than the chairman of the meeting)”, “such other Director” and “the Director” in the second, sixth and eighth lines respectively of Article 104.(B)(iii);

- by deleting the words “at least seven days before the date of the general meeting” and substituting therefor the words “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” at the fourth and fifth lines of Article 109;

- by deleting Article 111 in its entirety and substituting therefor the following Article:

“111. The Company may by ordinary resolution remove any Director (including a Managing Director or other Executive Director) before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract of service between him and the Company). Special notice is required of a resolution to remove a Director or to appoint somebody in place of a Director so removed at the general meeting at which he is removed in accordance with the Companies Ordinance. Any person so elected and appointed to fill the vacancy or a removed Director shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting. However, any vacancy created by the removal of Director, if not filled at the general meeting at which he is removed, may be filled as a casual vacancy.”;

- by deleting Article 182.(A) in its entirety and substituting therefor the following:

“(A) Subject to the provisions of the Companies Ordinance, every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (including any such liability as is mentioned in Section 165(2) of the Companies Ordinance) which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto (save and except for any liability in respect of negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company or related Company), and no Director or other officer shall be liable for any loss, damages or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto (save and except for any liability in respect of negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company or related Company), provided that this Article shall only have effect in so far as its provisions are not avoided by the Companies Ordinance.”;

- by deleting the words “Section 165 of” immediately after the words “Subject to” in the first line of Article 182.(B); and

- by adding the following new Article 182.(C):

“(C) Subject to the Companies Ordinance, the Company may purchase and maintain for any Director, Secretary, officer and Auditors of the Company:

- insurance against any liability to the Company, a related company or any other party in respect of any negligence, default, breach of duty or breach of trust (save for fraud) of which he may be guilty in relation to the Company or a related company; and

- insurance against any liability incurred by him in defending any proceedings, whether civil or criminal, taken against him for any negligence, default, breach of duty or breach of trust (including fraud) of which he may be guilty in relation to the Company or a related company.

For the purpose of this Article 182.(C), “related company” in relation to the Company means any company that is the Company’s subsidiary or holding company or a subsidiary of the Company’s holding company.”

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

Hong Kong, 29th April, 2004

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

Notes:

- A member entitled to attend and vote at the Meeting is entitled to appoint more than one proxy to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company.*
- 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.*
- 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 notariially certified copy of such power or authority, must be deposited at the Company’s registered office 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.*
- Where there are joint holders of any Share, any one of such joint holders may vote at the Meeting either personally or by proxy in respect of such Share as if he/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 Share.*
- In respect of Resolution 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 Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange, 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 existing issued share capital at the date of passing of the resolution.*
- The general purpose of the authority to be conferred on the Directors by Resolution 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.*
- As at the date of this notice, the Board of the Company comprises Messrs. Lee Seng Hui and Edwin Lo King Yau, being the executive Directors, Ms. Lee Su Hwei and Mr. Arthur George Dew, being the non-executive Directors, Sir Gordon Macwhinnie, Messrs. Wong Po Yan, David Craig Bartlett and John Douglas Mackie, being the independent non-executive Directors.*