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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**

RESULTS OF THE EXTRAORDINARY GENERAL MEETING

At the EGM held on 11 June 2003, the ordinary resolution for the approval of the proposed Offer, the issue of the Loan Notes and the Whitewash Waiver was passed by the Independent Shareholders by way of a poll, with approximately 86.34% of the votes cast in favour, and the special resolution for the approval of the reduction of the share premium account of the Company by the amount of HK\$375 million was also passed by the Independent Shareholders by way of a poll with approximately 86.34% of the votes cast in favour.

The Whitewash Waiver has been granted by the Executive subject to the Independent Shareholders approving the proposed Offer and the Whitewash Waiver by way of a poll, and such condition has therefore now been satisfied.

The making of the Offer will still be conditional upon the fulfilment of the remaining Conditions Precedent (being the confirmation by the Court of the reduction of the share premium account 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 Securities and Futures Ordinance (“SFO”), Chapter 571 of the laws of Hong Kong, of the proposed change in the identity of the substantial shareholder of those members of the Group which are classified as licensed corporations as defined under the SFO (“Licensed Corporations”); and the approval by any other relevant regulatory authorities whose consent is required under any applicable laws or regulations in order for the Company validly to make the Offer).

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

Reference is made to the announcements of the Company dated 16 January 2003, 29 January 2003, 20 February 2003, 13 March 2003 and 9 May 2003 and 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.

EXTRAORDINARY GENERAL MEETING

At the EGM held on 11 June 2003, the ordinary resolution for the approval of the proposed Offer, the issue of the Loan Notes and the Whitewash Waiver was passed by the Independent Shareholders by way of a poll, and the special resolution for the approval of the reduction of the share premium account of the Company by the amount of HK\$375 million was also passed by the Independent Shareholders by way of a poll.

A total of 1,124,203,291 votes were cast (which represents approximately 32.97% of the entire issued capital of the Company as at the date hereof and represents 47.02% of the Shares eligible for voting at the EGM) by the Independent Shareholders voting in person or by proxy in respect of the ordinary resolution. Out of these votes, a total of 970,599,691 votes were cast for, and a total of 153,603,600 votes were cast against the ordinary resolution. This represented approximately 86.34% and 13.66% of the votes cast for, and against, respectively of the total number of the votes cast by the Independent Shareholders.

At the same time, a total of 1,124,203,291 votes were cast (which represents approximately 32.97% of the entire issued capital of the Company as at the date hereof and represents 47.02% of the Shares eligible for voting at the EGM) by the Independent Shareholders voting in person or by proxy in respect of the special resolution. Out of these votes, a total of 970,599,691 votes were cast for, and a total of 153,603,600 votes were cast against the special resolution. This represented approximately 86.34% and 13.66% of the votes cast for, and against, respectively of the total number of the votes cast by the Independent Shareholders.

The Whitewash Waiver has been granted by the Executive subject to the Independent Shareholders approving the proposed Offer and the Whitewash Waiver by way of a poll, and such condition has therefore now been satisfied.

CONDITIONS PRECEDENT OF THE OFFER

The making of the Offer will still be conditional upon the fulfilment of the remaining Conditions Precedent (being the confirmation by the Court of the reduction of the share premium account 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 any other relevant regulatory authorities whose consent is required under any applicable laws or regulations in order for the Company validly to make the Offer).

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

OFFER DOCUMENT

If all of the Conditions Precedent are fully satisfied, the Company will issue the Offer Document within seven days thereafter which is expected to be 16 July 2003. The full terms and conditions of the Offer will be set out in the Offer Document. The Offer Document will also contain such information as is required under the Takeovers Code, the Repurchase Code and the Companies Ordinance and, for the avoidance of doubt, shall include a Form of Acceptance and appropriate information outlining the required procedures for acceptance of the Offer.

The Offer Document, however, will not be sent to an Overseas Shareholder whose address on the Register at the time of despatch is situate in an Excluded Jurisdiction.

GENERAL

Shareholders should read the Circular and the Offer Document, which is expected to be despatched on 16 July 2003, carefully before taking any action in relation to the proposed Offer. If any Shareholder is in any doubt, he should consult his own professional advisers.

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

Hong Kong, 11 June 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.