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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)

PROPOSED SHARE CONSOLIDATION

Reference is made to the Announcement. The Circular will be despatched on 30th June, 2004. Subject to the Share Consolidation becoming effective, the trading arrangement and odd lots arrangement of the Consolidated Shares are set out below.

Reference is made to the announcement of the Company dated 9th June, 2004 relating to the Share Consolidation (the "Announcement"). Terms used in this announcement shall have the same meanings as defined in the Announcement unless otherwise defined in this announcement.

TRADING ARRANGEMENT FOR CONSOLIDATED SHARES

Subject to the Share Consolidation becoming effective on Friday, 23rd July, 2004, the arrangement proposed for dealings in the Consolidated Shares are expected to be as follows:

- (i) With effect from 9:30 a.m. on 23rd July, 2004, the existing counter for trading in the existing Shares in board lots of 2,000 Shares will be temporarily closed. A temporary counter will be established for trading in the Consolidated Shares in board lots of 200 Consolidated Shares. Only certificates in blue colour for the existing Shares can be traded at this temporary counter.
- (ii) With effect from 9:30 a.m. on 6th August, 2004, the existing counter will be reopened for trading in the Consolidated Shares in board lots of 2,000 Consolidated Shares. Only new certificates in dark blue colour for the Consolidated Shares can be traded at this counter.
- (iii) From 6th August, 2004 to 27th August, 2004, both days inclusive, there will be parallel trading at the above two counters.
- (iv) The temporary counter for trading in the Consolidated Shares in board lots of 200 Consolidated Shares will be removed after the close of trading on 27th August, 2004. With effect from 30th August, 2004, trading in the Consolidated Shares will be in board lots of 2,000 Consolidated Shares. Certificates in blue colour for the existing Shares will cease to be valid for trading and settlement purpose. However, such share certificates will remain effective as documents of title.

ODD LOTS ARRANGEMENT AND MATCHING SERVICES

In order to alleviate Shareholders' difficulty in dealing in odd lots that may arise as a result of the Share Consolidation, the Company has appointed Sun Hung Kai Investment Services Limited of Level 12, One Pacific Place, 88 Queensway, Hong Kong to stand in the market to provide matching services on a best effort basis for the odd lots of Consolidated Shares during the period from 6th August, 2004 to 27th August, 2004 (both dates inclusive). Shareholders who wish to take advantage of this matching services either to dispose of odd lots of Consolidated Shares or to top up to a board lot of 2,000 Consolidated Shares may contact Miss Connie Cheung Sau Lin of Sun Hung Kai Investment Services Limited (Telephone number (852) 2822 5075; Fax number (852) 2822 5466). Shareholders should note that the matching service is on a "best efforts" basis only and successful matching of the sale and purchase of odd lots of Consolidated Shares is not guaranteed and will depend on there being adequate amounts of odd lots of Consolidated Shares available for such matching.

EXCHANGE OF CERTIFICATES FOR CONSOLIDATED SHARES AT NO DIRECT COST TO THE SHAREHOLDERS

Subject to the Share Consolidation becoming effective on Friday, 23rd July, 2004, Shareholders may on or after 23rd July, 2004 until 1st September, 2004 (both dates inclusive) submit their blue colour share certificates for the existing Shares to Computershare Hong Kong Investor Services Limited, the registrar of the Company, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for exchange, at the expense of the Company, for dark blue colour share certificates for Consolidated Shares. Thereafter, blue colour share certificates for the existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) for each new share certificate to be issued for the Consolidated Shares or each existing share certificate cancelled (whichever number is higher). Nevertheless, blue colour share certificates for the existing Shares will continue to be good evidence of legal title and may be exchanged for dark blue colour share certificates for the Consolidated Shares at any time. New share certificate will be issued in board lot of 2,000 Consolidated Shares.

GENERAL

A Circular containing information of the Share Consolidation together with a notice convening an extraordinary general meeting to be held on 22nd July, 2004 at which a resolution will be proposed to approve the Share Consolidation will be despatched to the Shareholders on 30th June, 2004.

The Share Consolidation is subject to the fulfilment of the conditions mentioned in the Circular.

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

Hong Kong, 29th June, 2004

As at the date of this announcement, the Board of the Company comprises Messrs. Lee Seng Hui (Chief Executive) 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 (Non-Executive Chairman), Messrs. Wong Po Yan, David Craig Bartlett and John Douglas Mackie, being the independent non-executive Directors.