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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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, the 2004 Annual Report and the notice convening the annual general meeting 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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this circular.

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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  
AMENDMENTS TO ARTICLES OF ASSOCIATION**

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Accompanying this circular and the 2004 Annual Report is a notice convening the annual general meeting of Allied Group Limited to be held at Plaza 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 3rd June, 2005 at 9:30 a.m.. 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 registered office of Allied Group Limited at 22nd Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong as soon as possible, and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the meeting or any adjournment thereof if they so wish.

28th April, 2005

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

|                           |   |
|---------------------------|---|
| “AGM”                     | the annual general meeting of the Company to be held on Friday, 3rd June, 2005 at 9:30 a.m.   |
| “Articles”                | the articles of association of the Company  |
| “Board”                   | the 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  |
| “Hong Kong”               | the Hong Kong Special Administrative Region of the People’s Republic of China   |
| “Latest Practicable Date” | 21st April, 2005, 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 101,883,692 Shares, representing approximately 39.17% of the issued capital of the Company as at the Latest Practicable Date and which is a discretionary trust |
| “Listing Rules”           | The Rules Governing the Listing of Securities on the Stock Exchange   |
| “Repurchase Code”         | Hong Kong Code on Share Repurchases   |
| “SFO”                     | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)   |
| “Share(s)”                | share(s) of HK\$2.00 each in the capital of the Company   |
| “Shareholder(s)”          | holder(s) of the Share(s)   |

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## DEFINITIONS

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|----------------------|---|
| “Stock Exchange”     | The Stock Exchange of Hong Kong Limited             |
| “Takeovers Code”     | Hong Kong Code on Takeovers and Mergers             |
| “HK\$”               | Hong Kong dollars, the lawful currency of Hong Kong |
| “2004 Annual Report” | annual report of the Company for the year of 2004   |
| “%”                  | per cent.   |

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LETTER FROM THE BOARD

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**ALLIED GROUP LIMITED**  
**(聯合集團有限公司)**

*(Incorporated in Hong Kong with limited liability)*

*Executive Directors:*

Lee Seng Hui (*Chief Executive*)  
Edwin Lo King Yau

*Non-Executive Directors:*

Lee Su Hwei  
Arthur George Dew

*Independent Non-Executive Directors:*

Gordon Macwhinnie (*Non-Executive Chairman*)  
Wong Po Yan  
David Craig Bartlett  
John Douglas Mackie

*Registered Office:*

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

28th April, 2005

*To the Shareholders,*

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE SECURITIES AND REPURCHASE SHARES  
AND  
AMENDMENTS TO ARTICLES OF ASSOCIATION**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM relating to (i) the re-election of Directors; (ii) the granting to the Directors of general mandates for the issue of securities and repurchase of Shares up to 20% and 10% respectively of the aggregate nominal amount of the Company's issued share capital as at the date of the passing of such resolutions; and (iii) the proposed amendments to the existing Articles.

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## LETTER FROM THE BOARD

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### RE-ELECTION OF DIRECTORS

The Board currently consists of eight Directors, namely Sir Gordon Macwhinnie, Messrs. Lee Seng Hui and Edwin Lo King Yau, Ms. Lee Su Hwei, Messrs. Arthur George Dew, Wong Po Yan, David Craig Bartlett and John Douglas Mackie.

Pursuant to Article 105(A) of the existing Articles, at each annual general meeting of the Company, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office, provided that no Director holding office as executive chairman or as a managing director or as a chief executive shall be subject to retirement by rotation or taken into account in determining the number of Directors to retire. 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 105(A) of the existing Articles, Mr. David Craig Bartlett, Sir Gordon Macwhinnie and Ms. Lee Su Hwei shall retire by rotation and, being eligible, offer themselves for re-election at the AGM. All the retiring Directors are eligible for re-election.

Article 109 of the existing Articles 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 days prior to the date of such general meeting.

Accordingly, if a Shareholder wishes to nominate a person to stand for election as a Director at the AGM, notice of his intention to propose such person for election as a Director and the notice 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 26th May, 2005.

A brief biographical details of the retiring Directors 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 Shareholders of the details of the additional candidate proposed.

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## LETTER FROM THE BOARD

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### GENERAL MANDATES TO ISSUE SECURITIES AND REPURCHASE SHARES

At the annual general meeting of the Company held on 7th June, 2004, ordinary resolutions were passed for the granting of general mandates to the Directors (i) to allot, issue and deal with additional securities of the Company up to 20% of the aggregate nominal amount of the share capital of the Company in issue at that date (“Existing Issue Mandate”) and (ii) to repurchase Shares up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at that date (“Existing Repurchase Mandate”).

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 the Company’s affairs and are in the interests of the Shareholders, and that the same shall continue to be adopted by the Company.

New general mandates to allot, issue and deal with additional securities of the Company up to 20% of the issued share capital of the Company and to repurchase Shares up to 10% of the issued share capital of the Company as at the date of the passing of the resolutions (“Share Repurchase Mandate”) as set out in Resolutions 5(A) and 5(B) respectively of the notice will be proposed at the AGM. Resolution authorising the extension of the general mandate to the Directors to issue securities to include the aggregate nominal amount of such Shares repurchased (if any) under the Share Repurchase Mandate is to be proposed as Resolution 5(C) at the AGM.

With reference to the proposed new general mandates, the Directors wish to state that they have no immediate plans to issue any new securities pursuant to the relevant mandates.

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 5(B) to be proposed at the AGM in relation to the proposed general mandates to repurchase Shares are set out in Appendix II to this circular.

### AMENDMENTS TO ARTICLES

Since the Company amended the Articles by a special resolution dated 7th June, 2004, a number of amendments were made to the Listing Rules, which include, inter alia, the replacement of the Code of Best Practice in Appendix 14 by a new code on Corporate Governance Practices (“Corporate Governance Code”) and the addition of a new Appendix 23 on the requirement for a Corporate Governance Report to be included in annual reports of listed issuers. The Company has reviewed its corporate governance practices with reference to the Code Provisions of the Corporate Governance Code and the existing Articles and considers that it is necessary to bring the existing Articles in line with the latest amended Listing Rules,

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## LETTER FROM THE BOARD

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in particular, the Code Provision A.4.2 of Appendix 14 which recommends that (a) every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years; and (b) all Directors appointed to fill a casual vacancy should be subject to election by Shareholders at the first general meeting after their appointment.

To ensure compliance with the latest amended Listing Rules, the Board considers that it is in the interest of the Company to amend the existing Articles.

Under the existing Articles, the Company may by special resolution in general meeting at any time alter or amend its memorandum and articles of association in whole or in part. Details of the proposed amendments to the existing Articles are set out in Appendix III to this circular.

### **AGM**

Accompanying this circular and the 2004 Annual Report is a notice convening the AGM to be held at Plaza 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 3rd June, 2005 at 9:30 a.m.. Ordinary resolutions in respect of the re-election of the Directors and the general mandates to issue securities and repurchase Shares and a special resolution in respect of the amendments to the Articles as referred to above will be proposed at the AGM.

A form of proxy for use at the AGM is also 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 registered office at 22nd Floor, Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong as soon as possible, and in any event not less than 48 hours before the time appointed for holding of the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude the Shareholders from attending and voting in person at the AGM or any adjournment thereof if they so wish.

Pursuant to Article 75 of the existing Articles, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded: (i) by the Chairman of the meeting; or (ii) by at least three Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or (iii) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or (iv) by a Shareholder or Shareholders present in person (or, in the case of a

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## LETTER FROM THE BOARD

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Shareholder being a corporation, by its duly authorised representative) or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

### RECOMMENDATION

The Directors consider that the proposed ordinary resolutions for approval of the re-election of the retiring Directors, the grant of general mandates to issue securities and repurchase Shares, and to add the aggregate nominal amount of Shares that may be repurchased to the aggregate nominal amount of the Shares that may be allotted pursuant to the general mandate to issue securities, and the proposed special resolution for the amendments to the Articles 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 all the resolutions to be proposed at the AGM.

### 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**  
**Sir Gordon Macwhinnie**  
*Chairman*

*The biographical details of the Directors proposed to be re-elected at the forthcoming AGM are set out as follows:*

**Mr. David Craig Bartlett**, aged 39, was appointed an Independent Non-Executive Director 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 and Wales, The Republic of Ireland and Hong Kong. A former partner of the international law firm Clyde & Co., he regularly acted for and advised the Company and its subsidiaries before leaving private practise for a career in industry. Now based primarily in Ireland, Mr. Bartlett is also an independent non-executive director of Sun Hung Kai & Co. Limited (“Sun Hung Kai”), an indirect subsidiary of the Company, which shares are listed on the Stock Exchange. Save as disclosed above, Mr. Bartlett did not hold any other directorships in listed public companies during the past three years.

The term of Mr. Bartlett’s appointment is subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles. There is a service agreement entered into between the Company and Mr. Bartlett, pursuant to which Mr. Bartlett is entitled to a consultancy fee of HK\$50,000 per annum. Mr. Bartlett’s emoluments as a Director of the Company are entirely based on the term of his service agreement with the Company. 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 is not aware of any other matters that need to be brought to the attention of the holders of Shares.

**Sir Gordon Macwhinnie**, C.B.E., J.P., aged 82, Non-Executive Chairman and Independent Non-Executive Director of the Company since December 1997 and March 1993 respectively, is a chartered accountant and has had a distinguished career in both the public and private sectors in the more than fifty years that he has been in Hong Kong. He was the first president of the Hong Kong Society of Accountants (renamed as the Hong Kong Institute of Certified Public Accountants in September 2004) and served on the Standing Commission on Civil Service Salaries and Conditions of Service. His past appointments include a member of the Operations Review Committee of the Independent Commission Against Corruption, the deputy chairman and member of the Council of the Hong Kong Polytechnic, a director of the Mass Transit Railway Corporation, the chairman of the Ocean Park Corporation and The Royal Hong Kong Jockey Club, and a member of the Council of the University of Science and Technology of Hong Kong for ten years. Previously, he was also a non-executive director of Quality HealthCare Asia Limited, an associated corporation of the Company within the meaning of Part XV of the SFO and which shares are listed on the Stock Exchange. He is currently the non-executive chairman and an independent non-executive director of Allied Properties (H.K.) Limited, an indirect subsidiary of the Company, which shares are listed on the Stock Exchange. He is also an independent non-executive director of Sun Hung Kai. Save as disclosed above, Sir Gordon did not hold any other directorships in listed public companies during the past three years.

The term of Sir Gordon's appointment is subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles. There is a service agreement entered into between the Company and Sir Gordon, pursuant to which he is entitled to a consultancy fee of HK\$1,568,112 per annum. His emoluments as a Director of the Company are entirely based on the term of his service agreement with the Company. Save as disclosed above, Sir Gordon 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. Sir Gordon is not aware of any other matters that need to be brought to the attention of the holders of Shares.

**Ms. Lee Su Hwei**, aged 34, was appointed a Non-Executive Director of the Company in May 2000. She holds a Bachelor of Economics Degree from the University of Sydney and has experience as an investment analyst and in the securities industry generally in Hong Kong and the region. Save as disclosed above, Ms. Lee did not hold any other directorships in listed public companies during the past three years.

Ms. Lee, Mr. Lee Seng Hui (the Chief Executive and Executive Director of the Company) and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust. They together owned 39.18% interests of the issued share capital of the Company as at the Latest Practicable Date and were therefore deemed to have interests in the Shares within the meaning of Part XV of the SFO.

The term of Ms. Lee's appointment is subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles. Save as disclosed above, Ms. Lee did not have any other relationship with any Director, senior management or substantial or controlling shareholder of the Company nor had she any interests in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date. Ms. Lee is not aware of any other matters that need to be brought to the attention of the holders of Shares.

*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.*

## **SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company was HK\$520,114,060 divided into 260,057,030 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 26,005,703 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 to seek a general authority from the Shareholders to enable the Company to repurchase its 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 assets value of the Company and/or earnings per share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

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, 2004, being the date to which the latest published audited financial statements of the Company were made up, the Directors consider that if the general mandate to repurchase Shares were to be exercised in full at the currently prevailing market value, it may have a material adverse impact on the working capital position 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 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 the purpose in accordance with the Company's memorandum and 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 REPURCHASE CODE**

Upon the exercise of the power to repurchase Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, 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 Repurchase 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' interest, may become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date and save as disclosed below, the Directors are not aware of any other person who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

| <b>Name of Shareholders</b>                             | <b>Number of Shares held</b> | <b>Approximate % of the issued share capital</b> | <b>Notes</b> | <b>Approximate % of the issued share capital should the Share Repurchase Mandate be exercised in full</b> |
|---|------------------------------|--|--------------|---|
| Minty Hongkong Limited ("Minty")                        | 75,844,692                   | 29.16%   | –            | 32.40%  |
| Lee and Lee Trust and parties acting in concert with it | 101,906,613                  | 39.18%   | 1, 2 and 3   | 43.54%  |

1. Minty is wholly owned by the trustees of Lee and Lee Trust, being a discretionary trust.
2. Mr. Lee Seng Hui and Ms. Lee Su Hwei, who are the Directors, together with Mr. Lee Seng Huang, are the trustees of Lee and Lee Trust, and were therefore deemed to have an interest in the Shares in which Minty was interested.
3. This figure includes the 75,844,692 Shares held by Minty.

As at the Latest Practicable Date, Lee and Lee Trust and parties acting in concert with it were beneficially interested in 101,906,613 Shares, representing approximately 39.18% of the issued share capital of the Company.

Based on such interest 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 interest of the Lee and Lee Trust together with the parties acting in concert with it will be increased to approximately 43.54% of the issued share capital of the Company. Such increase of interest will give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. The Directors have no present intention to repurchase Shares to the extent that it will trigger obligations under the Takeovers Code to make a mandatory general offer.

### 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 past twelve months:

|   | Shares          |                |
|---|-----------------|----------------|
|   | Highest<br>HK\$ | Lowest<br>HK\$ |
| <b>2004</b>                               |                 |                |
| April                                     | 7.100A          | 6.400A         |
| May                                       | 6.700A          | 5.800A         |
| June                                      | 6.900A          | 6.100A         |
| July                                      | 6.600A          | 6.200A         |
| August                                    | 7.350           | 6.150          |
| September                                 | 7.500           | 7.100          |
| October                                   | 7.650           | 7.200          |
| November                                  | 8.300           | 7.500          |
| December                                  | 8.250           | 7.700          |
| <b>2005</b>                               |                 |                |
| January                                   | 9.300           | 8.050          |
| February                                  | 11.400          | 8.950          |
| March                                     | 12.000          | 10.600         |
| April (up to the Latest Practicable Date) | 11.950          | 10.650         |

*A – Adjusted for the share consolidation of 10 shares of HK\$0.20 each into 1 Share with effect from 23rd July, 2004.*

## REPURCHASE OF SHARES

The Company has purchased a total of 1,904,000 Shares on the Stock Exchange during the six months immediately preceding the Latest Practicable Date (i.e. from 22nd October, 2004 to 21st April, 2005) and details of which are as follows:

| Date of Repurchases | Number of Shares Repurchased | Price per Share |                |
|---------------------|------------------------------|-----------------|----------------|
|                     |                              | Highest<br>HK\$ | Lowest<br>HK\$ |
| 2nd November, 2004  | 534,000                      | 7.65            | 7.50           |
| 5th November, 2004  | 80,000                       | 7.75            | –              |
| 10th November, 2004 | 16,000                       | 7.90            | –              |
| 11th November, 2004 | 48,000                       | 7.90            | –              |
| 12th November, 2004 | 120,000                      | 7.90            | –              |
| 15th November, 2004 | 62,000                       | 7.80            | 7.75           |
| 16th November, 2004 | 6,000                        | 7.85            | 7.80           |
| 17th November, 2004 | 20,000                       | 7.80            | –              |
| 18th November, 2004 | 20,000                       | 7.75            | –              |
| 19th November, 2004 | 40,000                       | 7.75            | 7.70           |
| 29th November, 2004 | 12,000                       | 8.00            | –              |
| 30th November, 2004 | 20,000                       | 8.00            | –              |
| 1st December, 2004  | 20,000                       | 7.90            | –              |
| 2nd December, 2004  | 20,000                       | 7.95            | 7.90           |
| 3rd December, 2004  | 96,000                       | 7.95            | 7.90           |
| 6th December, 2004  | 14,000                       | 7.90            | 7.85           |
| 8th December, 2004  | 16,000                       | 7.90            | 7.85           |
| 9th December, 2004  | 10,000                       | 7.80            | –              |
| 10th December, 2004 | 20,000                       | 7.85            | –              |
| 13th December, 2004 | 12,000                       | 7.85            | 7.75           |
| 14th December, 2004 | 22,000                       | 7.90            | 7.85           |
| 15th December, 2004 | 18,000                       | 7.80            | –              |
| 16th December, 2004 | 30,000                       | 7.85            | 7.80           |
| 28th February, 2005 | 200,000                      | 11.05           | –              |
| 1st March, 2005     | 98,000                       | 11.00           | 10.60          |
| 2nd March, 2005     | 14,000                       | 10.90           | –              |
| 3rd March, 2005     | 60,000                       | 10.90           | –              |
| 4th March, 2005     | 10,000                       | 10.90           | –              |
| 7th March, 2005     | 20,000                       | 11.00           | –              |
| 8th March, 2005     | 158,000                      | 11.55           | 11.50          |
| 11th March, 2005    | 34,000                       | 11.60           | –              |
| 20th April, 2005    | 24,000                       | 11.00           | 10.95          |
| 21st April, 2005    | 30,000                       | 11.65           | 10.60          |
| Total               | <u>1,904,000</u>             |                 |                |

**GENERAL**

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

No 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 Shares in accordance with the Listing Rules and the applicable laws of Hong Kong.

*Details of the proposed amendments to the Articles are set out as follows:*

**1. ARTICLE 96**

The existing Article 96 be amended by:

- (i) deleting the following sentence at the end of Article 96:

“Any Director so appointed shall hold office only 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.”; and

- (ii) replacing therewith the following sentence:

“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.”

**2. ARTICLE 105(A)**

The existing Article 105(A) be amended by:

- (i) deleting the following sentence at the beginning of Article 105(A):

“At each annual general meeting one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office, provided that no Director holding office as executive chairman or as a managing director or as a chief executive shall be subject to retirement by rotation or taken into account in determining the number of Directors to retire.”; and

- (ii) replacing therewith the following sentence:

“Notwithstanding any other provisions in these Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, 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 years at the annual general meeting, provided always that any Director appointed pursuant to Article 96 shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.”

**3. ARTICLE 120**

The existing Article 120 be amended by deleting the words “the proviso to Article 105(A) and” on the third line.