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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 and the 2005 Annual Report 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.

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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
AND
GENERAL MANDATES TO ISSUE SECURITIES
AND REPURCHASE SHARES**

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, 26th May, 2006 at 10:00 a.m., is set out on pages 17 to 21 of this circular. 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 the 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, 2006

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DEFINITIONS

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, 26th May, 2006 at 10:00 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, 2006, 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 40.60% 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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“2005 Annual Report”	annual report of the Company for the year of 2005
“%”	per cent.

LETTER FROM THE BOARD



ALLIED GROUP LIMITED

(聯合集團有限公司)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 373)

Executive Directors:

Lee Seng Hui (*Chief Executive*)

Edwin Lo King Yau

Mak Pak Hung

Non-Executive Directors:

Lee Su Hwei

Arthur George Dew

Independent Non-Executive Directors:

Alan Stephen Jones

Wong Po Yan

David Craig Bartlett

John Douglas Mackie

Registered Office:

22nd Floor

Allied Kajima Building

138 Gloucester Road

Wanchai

Hong Kong

28th April, 2006

To the Shareholders

Dear Sir or Madam,

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

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; and (ii) the granting to the Directors of general mandates to issue securities and repurchase Shares up to 20% and 10% respectively of the aggregate nominal amount of the Company's issued share capital as at the date of passing of such resolutions.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

The Board currently consists of nine Directors, namely Messrs. Lee Seng Hui, Edwin Lo King Yau and Mak Pak Hung, Ms. Lee Su Hwei, Messrs. Arthur George Dew, Alan Stephen Jones, Wong Po Yan, David Craig Bartlett and John Douglas Mackie.

Pursuant to Article 105(A) of the Articles, at each annual general meeting of the Company, 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 of the Articles shall not be taken into account in determining the Directors who are to retire by rotation at such meeting. 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 96 of the Articles, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company (in 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.

Pursuant to Article 105(A) of the Articles, Messrs. Lee Seng Hui, Edwin Lo King Yau and Wong Po Yan shall retire by rotation and, being eligible, offer themselves for re-election at the AGM. In addition, Messrs. Mak Pak Hung and Alan Stephen Jones, being Directors appointed by the Board after the Company's last annual general meeting held on 3rd June, 2005, will hold office only until the next following general meeting or until the AGM pursuant to Article 96 of the Articles and, being eligible, offer themselves for re-election as Director. All the retiring Directors are eligible for re-election.

Article 109 of the 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 19th May, 2006.

LETTER FROM THE BOARD

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.

GENERAL MANDATES TO ISSUE SECURITIES AND REPURCHASE SHARES

At the annual general meeting of the Company held on 3rd June, 2005, 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 passing of the resolutions (“Share Repurchase Mandate”) as set out in Resolutions 6(A) and 6(B) respectively of the notice of the AGM 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 6(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 6(B) to be proposed at the AGM in relation to the proposed Share Repurchase Mandate are set out in Appendix II to this circular.

LETTER FROM THE BOARD

AGM

Notice of the AGM to be held at Plaza 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 26th May, 2006 at 10:00 a.m. is set out on pages 17 to 21 of this circular. A copy of the 2005 Annual Report of the Company is despatched to the Shareholders together with this circular. Ordinary resolutions in respect of the re-election of the Directors and the general mandates to issue securities and repurchase Shares will be proposed at the AGM.

A form of proxy for use at the AGM is 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 the 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 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 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 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.

LETTER FROM THE BOARD

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
Edwin Lo King Yau
Executive Director

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

Mr. Lee Seng Hui, aged 37, Chief Executive of the Company since January 1998, graduated from the Law School of the University of Sydney with Honours. Previously, he worked with Baker & McKenzie and N M Rothschild & Sons (Hong Kong) Limited. He was appointed a Non-Executive Director of the Company in July 1992 and became an Executive Director of the Company in December 1993. He is also a non-executive director of Yu Ming Investments Limited, a company listed on the Stock Exchange. Save as disclosed above, Mr. Lee did not hold any other directorships in listed public companies during the past three years.

As at the Latest Practicable Date, Mr. Lee had a personal interest in 22,921 Shares, and Mr. Lee, Ms. Lee Su Hwei (a Non-Executive Director of the Company and the sister of Mr. Lee) and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust, which indirectly held 101,883,692 Shares. They together owned 40.61% 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.

An employment contract which forms the basis of emoluments has been entered into between the Company and Mr. Lee pursuant to which he is entitled to receive (i) a monthly salary of HK\$77,900 together with an accommodation in rental value of HK\$238,000 per month; and (ii) a discretionary bonus which is based on the performance of the Company. He will have no designated length of service with the Company but will be subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles or any other applicable laws from time to time whereby he shall vacate his office. Save as disclosed above, Mr. Lee 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. Lee is not aware of any other matters that need to be brought to the attention of the Shareholders.

Pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules, there is no other information in relation to Mr. Lee to be disclosed.

Mr. Edwin Lo King Yau, aged 45, a chartered company secretary and holder of a Master's Degree in Applied Finance from Macquarie University, Australia, was appointed an Executive Director of the Company in May 2000. He had served various executive roles in several companies in Hong Kong including as company secretary for public listed companies. He is also an executive director of Tian An China Investments Company Limited and The Hong Kong Building and Loan Agency Limited, both are companies listed on the Stock Exchange. Save as disclosed above, Mr. Lo did not hold any other directorships in listed public companies during the past three years.

An employment contract which forms the basis of emoluments has been entered into between the Company and Mr. Lo pursuant to which he is entitled to receive (i) a monthly salary of HK\$94,875; and (ii) a discretionary bonus which is based on the performance of the Company. He will have no designated length of service with the Company but will be subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles or any other applicable laws from time to time whereby he shall vacate his office. Save as disclosed above, Mr. Lo 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. Lo is not aware of any other matters that need to be brought to the attention of the Shareholders.

Pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules, there is no other information in relation to Mr. Lo to be disclosed.

Mr. Wong Po Yan, G.B.M., C.B.E., J.P., aged 82 and an Independent Non-Executive Director of the Company since March 1993, is one of Hong Kong's leading residents with an outstanding record of business and public service. He is the chairman and managing director of United Overseas Enterprises Ltd., chairman of the board of Asia Television Ltd. and former vice chairman of the Committee for the Basic Law of the HKSAR under the Standing Committee of the National People's Congress. He is also an independent non-executive director of Alco Holdings Limited, China Electronics Corporation Holdings Company Limited, Fintronics Holdings Company Limited, Shenzhen Investment Limited and Sinopec Kantons Holdings Limited, all are companies listed on the Stock Exchange. Save as disclosed above, Mr. Wong did not hold any other directorships in listed public companies during the past three years.

A service contract which forms the basis of emoluments has been entered into between the Company and Mr. Wong pursuant to which (i) his term of appointment shall continue until 31st December, 2006, subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles or any other applicable laws from time to time whereby he shall vacate his office; and (ii) he is entitled to a consultancy fee of HK\$150,000 per annum. Save as disclosed above, Mr. Wong 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. Wong is not aware of any other matters that need to be brought to the attention of the Shareholders.

Pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules, there is no other information in relation to Mr. Wong to be disclosed.

Mr. Mak Pak Hung, aged 59, was appointed an Executive Director of the Company in January 2006. He holds a Bachelor of Arts Honours Degree in Economics from the University of Hong Kong and a Master of Business Administration Degree from the University of Western Ontario, Canada. Mr. Mak is the director of Banking and Treasury of Sun Hung Kai & Co. Limited (“SHK”) and is a director of Sun Hung Kai International [Brunei] Limited, a wholly-owned subsidiary of SHK. Formerly, Mr. Mak was the chief financial officer of SHK. Prior to joining SHK, Mr. Mak was with A.S. Watson & Company Limited, a wholly-owned subsidiary company of Hutchison Whampoa Limited, as chief operating officer and group finance director. Before that, he was the managing director of Canadian Imperial Bank of Commerce for Hong Kong and China and has also held senior positions with Manufacturers Hanover Trust Co. and Citibank N.A., with extensive experience in banking and finance. He is also a director of United Asia Finance Limited. Save as disclosed above, Mr. Mak did not hold any other directorships in listed public companies during the past three years.

A service contract will be entered into between the Company and Mr. Mak with retrospective effect from 3rd January, 2006. Currently, Mr. Mak receives a monthly salary of HK\$47,500 which is based on his mutual agreement with the Company. He will have no designated length of service with the Company but will be subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles or any other applicable laws from time to time whereby he shall vacate his office. Save as disclosed above, Mr. Mak 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. Mak is not aware of any other matters that need to be brought to the attention of the Shareholders.

Pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules, there is no other information in relation to Mr. Mak to be disclosed.

Mr. Alan Stephen Jones, aged 63, was appointed an Independent Non-Executive Director of the Company in January 2006. Mr. Jones, a chartered accountant, has extensive experience in management, administration, accounting, property development, carparking, finance and trading and has been involved in successful mergers and acquisitions of a number of public companies in Australia and internationally. Mr. Jones is also an independent non-executive director of Allied Properties (H.K.) Limited and SHK, both are companies listed on the Stock Exchange. Save as disclosed above, Mr. Jones did not hold any other directorships in listed public companies during the past three years.

A service contract which forms the basis of emoluments has been entered into between the Company and Mr. Jones pursuant to which (i) his term of appointment shall continue until 31st December, 2006, subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles or any other applicable laws from time to time whereby he shall vacate his office; and (ii) he is entitled to a consultancy fee of HK\$200,000 per annum (together with all appropriate business class travel and accommodation expenses for attending relevant meetings of the Company as is required by the Company in Hong Kong). Save as disclosed above, Mr. Jones 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. Jones is not aware of any other matters that need to be brought to the attention of the Shareholders.

Pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules, there is no other information in relation to Mr. Jones to be disclosed.

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\$501,832,846 divided into 250,916,423 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 25,091,642 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 for the Directors to have a general authority from the Shareholders to enable the Company to repurchase 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, 2005, 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 of association and the Articles 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.

Name of Shareholders	Number of Shares held	Approximate % of the issued share capital	Notes	Approximate % of the issued share capital should the Share Repurchase Mandate be exercised in full
Minty Hongkong Limited ("Minty")	75,844,692	30.22%	–	33.58%
Lee and Lee Trust and parties acting in concert with it	101,906,613	40.61%	1, 2 and 3	45.12%

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 40.61% 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 45.12% 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 <i>HK\$</i>	Lowest <i>HK\$</i>
2005		
April	12.000	10.400
May	11.200	10.500
June	10.800	10.600
July	11.400	10.300
August	11.100	10.000
September	10.800	10.100
October	10.500	10.050
November	10.900	10.200
December	11.200	10.750
2006		
January	11.900	10.900
February	12.250	11.500
March	15.000	11.550
April (up to the Latest Practicable Date)	17.500	13.800

REPURCHASE OF SHARES

The Company has purchased a total of 6,694,607 Shares on the Stock Exchange during the six months immediately preceding the Latest Practicable Date (i.e. from 22nd October, 2005 to 21st April, 2006) and details of which are as follows:

Date of Repurchase	Number of Shares Repurchased	Price per Share	
		Highest HK\$	Lowest HK\$
31st October, 2005	28,000	10.25	10.20
1st November, 2005	20,000	10.30	–
2nd November, 2005	30,000	10.30	10.25
3rd November, 2005	194,000	10.50	10.30
4th November, 2005	52,000	10.50	10.45
7th November, 2005	30,000	10.30	10.25
8th November, 2005	50,000	10.30	–
9th November, 2005	52,000	10.40	10.35
11th November, 2005	56,000	10.50	10.45
14th November, 2005	112,000	10.70	10.60
15th November, 2005	108,000	10.70	10.60
21st November, 2005	50,000	10.75	–
23rd November, 2005	58,000	10.75	–
24th November, 2005	48,000	10.80	10.75
25th November, 2005	118,000	10.85	10.80
29th November, 2005	38,000	10.85	10.65
1st December, 2005	12,000	10.80	–
5th December, 2005	36,000	10.85	10.80
7th December, 2005	80,000	10.85	10.80
12th December, 2005	1,110,607	11.00	10.80
16th December, 2005	1,000,000	11.10	–
3rd January, 2006	46,000	11.00	–
4th January, 2006	8,000	11.15	–
5th January, 2006	42,000	11.20	–
6th January, 2006	24,000	11.35	11.15
9th January, 2006	82,000	11.40	11.30
10th January, 2006	338,000	11.40	11.35
11th January, 2006	102,000	11.40	11.35
12th January, 2006	108,000	11.50	11.40
13th January, 2006	24,000	11.60	–
16th January, 2006	2,550,000	11.85	11.60
23rd February, 2006	20,000	11.90	–
24th February, 2006	20,000	11.95	–
27th February, 2006	20,000	11.90	–
1st March, 2006	28,000	11.90	11.80
Total	<u>6,694,607</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.

NOTICE OF ANNUAL GENERAL MEETING



ALLIED GROUP LIMITED

(聯合集團有限公司)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 373)

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 Friday, 26th May, 2006 at 10:00 a.m. for the following purposes:

1. To receive and adopt the Audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31st December, 2005.
2. To declare a final dividend.
3. To re-elect Directors who are subject to retirement by rotation.
4. To re-appoint Directors 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.
5. To re-appoint Messrs. Deloitte Touche Tohmatsu as Auditors and authorise the Board of Directors to fix their remuneration.
6. To consider as special business and, if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:

(A) **“THAT:**

- (a) 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;

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- (b) 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;
- (c) 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:
 - (i) a Rights Issue (as hereinafter defined);
 - (ii) 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
 - (iii) 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

- (d) for the purpose of this Resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) 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
- (iii) 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

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“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:**

- (a) 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;
- (b) the aggregate nominal amount of the Shares 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
- (c) for the purpose of this Resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) 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

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(iii) 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 6(A) and 6(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 6(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 the Shares repurchased by the Company under the authority granted pursuant to Resolution 6(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.”

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

Hong Kong, 28th April, 2006

Registered Office:

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

Notes:

1. *A member of the Company entitled to attend and vote at the Meeting will be 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.*
2. *A form of proxy in respect of the Meeting is enclosed. 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.*
3. *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 notarially 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.*
4. *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.*

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5. *The register of members of the Company will be closed from Monday, 22nd May, 2006 to Friday, 26th May, 2006, both days inclusive, during which period no share transfers will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, COMPUTERSHARE HONG KONG INVESTOR SERVICES LIMITED, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:00 p.m. on Friday, 19th May, 2006.*
6. *In respect of Resolution 6(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 the passing of the resolution.*
7. *The general purpose of the authority to be conferred on the Directors by Resolution 6(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.*