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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)



**ALLIED PROPERTIES (H.K.) LIMITED**  
(聯合地產(香港)有限公司)

*(Incorporated in Hong Kong with limited liability)*  
(Stock Code: 56)



**新鴻基有限公司**

**SUN HUNG KAI & CO. LIMITED**

*(Incorporated in Hong Kong with limited liability)*  
(Stock Code: 86)

**JOINT ANNOUNCEMENT  
DISCLOSEABLE TRANSACTION**

**CONVERSION OF CONVERTIBLE NOTE**

Reference is made to the Joint Announcement in relation to, among other things, the subscription of the Convertible Note in the aggregate principal amount of US\$100,000,000. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement.

**CONVERSION OF CONVERTIBLE NOTE**

As advised and confirmed by SHK, on 29th July, 2016, the pre-requisite for the Conversion under the Convertible Note Agreement has been satisfied.

As advised and confirmed by SHK, on 8th August, 2016, SHK Capital served the Conversion Notice to CMIG International to exercise its conversion rights attaching to the Convertible Note in an aggregate principal amount of US\$100,000,000. CMIG International shall, within three (3) Business Days upon receipt of the Conversion Notice, allot and issue to SHK Capital 100,000,000 Conversion Shares at the Conversion Price of US\$1.00 per Conversion Share, which will represent approximately 4.55% of the enlarged issued and paid-up share capital of CMIG International upon conversion of the Convertible Note and completion of investments by other potential investors of CMIG International.

## **LISTING RULES IMPLICATIONS**

As SHK Capital is a wholly-owned subsidiary of SHK, which is an indirect non wholly-owned subsidiary of APL, which in turn is a non wholly-owned subsidiary of AGL, the Conversion shall be a transaction of each of AGL, APL and SHK under the Listing Rules as the definition of “listed issuer” under the Listing Rules shall include the listed issuer’s subsidiaries.

The Conversion constitutes a discloseable transaction of each of AGL, APL and SHK under Chapter 14 of the Listing Rules, as the relevant percentage ratio(s) pursuant to Rule 14.07 of the Listing Rules in respect of the Conversion for each of AGL, APL and SHK exceeds 5% but is below 25%. The Conversion is therefore subject to the reporting and announcement requirements under the Listing Rules.

Reference is made to the joint announcement published by AGL, APL and SHK dated 10th December, 2015 (the “**Joint Announcement**”) in relation to, among other things, the subscription of the Convertible Note in the aggregate principal amount of US\$100,000,000. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement.

## **CONVERSION OF CONVERTIBLE NOTE**

As advised and confirmed by SHK, on 29th July, 2016, the pre-requisite for the Conversion under the Convertible Note Agreement has been satisfied.

As advised and confirmed by SHK, on 8th August, 2016, SHK Capital served the Conversion Notice to CM International Holding Pte. Ltd. (“**CMIG International**”, previously defined as “**CMIH**” in the Joint Announcement) to exercise its conversion rights attaching to the Convertible Note in an aggregate principal amount of US\$100,000,000. CMIG International shall, within three (3) Business Days upon receipt of the Conversion Notice, allot and issue to SHK Capital 100,000,000 Conversion Shares at the Conversion Price of US\$1.00 per Conversion Share, which will represent approximately 4.55% of the enlarged issued and paid-up share capital of CMIG International upon conversion of the Convertible Note and completion of investments by other potential investors of CMIG International.

For details of the principal terms of the Convertible Note Agreement and the Subscription and Shareholders’ Agreement, please refer to the Joint Announcement.

As advised and confirmed by SHK, which has made all reasonable enquiries and based on the confirmations of China Minsheng Investment Co., Ltd. (“**CMIG**”, previously defined as “**CMI**” in the Joint Announcement) and CMIG International, and to the best knowledge, information and belief of the AGL Directors, APL Directors and SHK Directors, having made all reasonable enquiries, CMIG, CMIG International and their respective ultimate beneficial owner(s) are all third parties independent of AGL, APL and SHK and their respective connected persons.

## **INFORMATION ABOUT AGL, APL, SHK, SHK CAPITAL, CMIG AND CMIG INTERNATIONAL**

### **AGL**

AGL is a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange.

The principal business activity of AGL is investment holding. The principal business activities of its major subsidiaries are property investment and development, hospitality related activities, the provision of finance and investments in listed and unlisted securities.

### **APL**

APL is a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange.

The principal business activity of APL is investment holding. The principal business activities of its major subsidiaries are property investment and development, hospitality related activities, the provision of finance and investments in listed and unlisted securities.

As at the date of this joint announcement, APL is beneficially owned as to approximately 74.99% by AGL.

### **SHK**

SHK is a company incorporated in Hong Kong with limited liability, the securities of which are listed on the main board of the Stock Exchange.

The principal business activity of SHK is investment holding. The principal business activities of its major subsidiaries are structured finance, consumer finance, mortgage loans and principal investments.

As at the date of this joint announcement, SHK is beneficially owned as to approximately 55.92% by APL.

## **SHK Capital**

As advised and confirmed by SHK, SHK Capital is a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of SHK.

The principal business activity of SHK Capital is investment holding.

## **CMIG**

As advised and confirmed by SHK which has based on the confirmation of CMIG, CMIG is a company incorporated in the PRC with limited liability. The principal business activities of CMIG includes, among others, equity investment, equity investment management, business consulting, financial consulting, industrial investment, asset management, and investment consulting.

CMIG is a leading large-scale private investment company initiated by the All-China Federation of Industry and Commerce and founded by 59 prestigious Chinese private enterprises that are large scale private companies from a wide spectrum of industries. It was established and registered in Shanghai in May 2014, with a registered capital of RMB50 billion. CMIG is supported by a Global Advisory Council, which gathers luminaries in politics, economics, culture, diplomacy and other fields, including former senior government officials, economists and corporate executives from different countries, to provide strategic guidance in its globalisation strategy. CMIG is dedicated to lead and guide the investment of China's private capital, driving of economic transition and upgrading of the national economy.

## **CMIG International**

As advised and confirmed by SHK which has based on the confirmation of CMIG International, CMIG International is a company incorporated in Singapore with limited liability. The principal business activity of CMIG International is investment holding.

CMIG International is a subsidiary of CMIG and was founded by CMIG in December 2014 as the international flagship platform for cross-border mergers and acquisitions, investment, asset management, global asset allocation and to provide comprehensive financial related services to support and guide Chinese private enterprises in cross-border transactions. With its global perspective and core capabilities, CMIG International will lead the globalisation and industrial upgrade of private enterprises with a focus on the national strategy of "Going Out, Bringing In" and "One Belt One Road" initiative.

As advised and confirmed by SHK which has based on the confirmation of CMIG International, set out below is the financial information of CMIG International for the year ended 31st December, 2015:

**For the year ended  
31st December, 2015**

*US\$*

*(unaudited)*

*(approximately)*

Other income	9,228,052
Profit before taxation	664,809
Profit after taxation	509,387

The unaudited consolidated net assets of CMIG International as at 31st December, 2015 was US\$1,790,507,120.

## **REASONS FOR AND BENEFITS OF THE CONVERSION**

As advised and confirmed by SHK, the SHK Directors consider that the Conversion of Convertible Note can diversify the SHK Group's investments portfolio into other areas in the financial services sector, in particular, by participating in a significant international investment platform with various major international investors.

In view of the above, the SHK Directors are of the view that the Conversion is fair and reasonable and in the interests of SHK and its shareholders taken as a whole.

Based on the information and the confirmation provided by SHK and to the best knowledge, information and belief of the APL Directors, the APL Directors consider that the Conversion is fair and reasonable and in the interests of APL and its shareholders taken as a whole.

Based on the information and the confirmation provided by SHK and to the best knowledge, information and belief of the AGL Directors, the AGL Directors consider that the Conversion is fair and reasonable and in the interests of AGL and its shareholders taken as a whole.

## **LISTING RULES IMPLICATIONS**

As SHK Capital is a wholly-owned subsidiary of SHK, which is an indirect non wholly-owned subsidiary of APL, which in turn is a non wholly-owned subsidiary of AGL, the Conversion shall be a transaction of each of AGL, APL and SHK under the Listing Rules as the definition of "listed issuer" under the Listing Rules shall include the listed issuer's subsidiaries.

The Conversion constitutes a discloseable transaction of each of AGL, APL and SHK under Chapter 14 of the Listing Rules, as the relevant percentage ratio(s) pursuant to Rule 14.07 of the Listing Rules in respect of the Conversion for each of AGL, APL and SHK exceeds 5% but is below 25%. The Conversion is therefore subject to the reporting and announcement requirements under the Listing Rules.

On behalf of the AGL Board

**Allied Group Limited**

**Edwin Lo King Yau**

*Executive Director*

On behalf of the APL Board

**Allied Properties (H.K.) Limited**

**Li Chi Kong**

*Executive Director*

On behalf of the SHK Board

**Sun Hung Kai & Co. Limited**

**Peter Anthony Curry**

*Executive Director*

Hong Kong, 9th August, 2016

*As at the date of this joint announcement, the AGL Board comprises Messrs. Lee Seng Hui (Chief Executive), Edwin Lo King Yau and Mak Pak Hung being the Executive Directors; Mr. Arthur George Dew (Chairman) and Ms. Lee Su Hwei being the Non-Executive Directors; and Mr. David Craig Bartlett, Mr. Alan Stephen Jones and Ms. Lisa Yang Lai Sum being the Independent Non-Executive Directors.*

*As at the date of this joint announcement, the APL Board comprises Messrs. Lee Seng Hui (Chief Executive), Li Chi Kong and Mark Wong Tai Chun being the Executive Directors; Mr. Arthur George Dew (Chairman) being the Non-Executive Director; and Messrs. Steven Samuel Zoellner, Alan Stephen Jones and David Craig Bartlett being the Independent Non-Executive Directors.*

*As at the date of this joint announcement, the SHK Board comprises Messrs. Lee Seng Huang (Group Executive Chairman), Simon Chow Wing Charn and Peter Anthony Curry being the Executive Directors; Mr. Jonathan Andrew Cimino (Mr. Joseph Kamal Iskander as his alternate) being the Non-Executive Director; and Mr. David Craig Bartlett, Mr. Alan Stephen Jones, Ms. Jacqueline Alee Leung and Mr. Peter Wong Man Kong being the Independent Non-Executive Directors.*