

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.



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 FOR AGL AND APL;
MAJOR TRANSACTION FOR SHK
IN RELATION TO
THE EXERCISE OF PUT RIGHT BY SHK
AND
RESUMPTION OF TRADING**

Financial Adviser to SHK



YU MING INVESTMENT MANAGEMENT LIMITED
禹銘投資管理有限公司

INTRODUCTION

References are made to (i) the announcements dated 2 February 2015 and 2 June 2015 jointly issued by AGL, APL and SHK; and (ii) the circular dated 27 February 2015 issued by SHK, in relation to the 70% Disposal.

Completion of the 70% Disposal took place on 2 June 2015. As part of the Original Shareholders' Agreement, SHK and ESFH agreed that SHK could during the Put Option Period exercise the Put Right to require ESFH to buy part or all of the shares SHK holds in SHKFGL.

EXERCISE OF THE PUT RIGHT

As advised and confirmed by SHK, on 17 November 2020, SHK, ESFH and SHKFGL entered into the Repurchase and Subscription Agreement to exercise the Put Right to require ESFH to buy the remaining 30% shareholding in SHKFGL held by SHK at the Consideration of (i) HK\$1,257,106,447 in cash; and (ii) HK\$1,156,000,000 in SHKFGL Preference Shares.

As advised and confirmed by SHK, as part of the Transaction, on 17 November 2020, SHK and respective parties also entered into the Amended and Restated Shareholders' Agreement, the Charge Agreement and the Amended and Restated Trade Mark Licence.

Repurchase and Subscription Agreement

As advised and confirmed by SHK, in exercising the Put Right:

- (i) SHK shall sell and ESFH shall purchase 90,365,142 SHKFGL Shares, representing 30% of the entire issued share capital of SHKFGL and together with all of SHK's rights, title and interest to the SHKFGL Shares, free and clear of all encumbrances for a cash consideration of HK\$1,257,106,447 and an undertaking by ESFH to transfer the Subscription Shares to SHK (the "**Share Sale**");
- (ii) SHKFGL shall repurchase from ESFH and cancel the SHKFGL Shares purchased by ESFH from SHK; and
- (iii) in consideration of the repurchase, ESFH will then subscribe for 90,365,142 SHKFGL Preference Shares at the Subscription Price of HK\$1,156,000,000 to be allotted and issued by SHKFGL, which will be transferred to SHK as remaining part of the Consideration (together with (ii), the "**Subscription**").

Share Sale Completion took place on the date of the Repurchase and Subscription Agreement. Subscription Completion will take place immediately upon the adoption of the amended and restated memorandum and articles of association of SHKFGL in connection with the Subscription.

Amended and Restated Shareholders' Agreement

As advised and confirmed by SHK, SHK, ESFH and SHKFGL entered into the Amended and Restated Shareholders' Agreement to put in place the appropriate governance structure commensurate with their new relationship and the structure of SHKFGL, including and not limited to, terms relating to the SHKFGL Preference Shares, SHKFGL board representation, non-competition undertaking, restrictions on transfer of SHKFGL Shares and other reserved matters.

Charge Agreement

As advised and confirmed by SHK, to secure the obligation of SHKFGL under the Amended and Restated Shareholders' Agreement, SHK and the Chargors entered into the Charge Agreement, pursuant to which, each of the Chargors agreed to charge in favour of SHK, including but not limited to, their respective loan portfolio as a continuing security for the payment, discharge and satisfaction of obligation due or owing by SHKFGL to SHK for redeeming the SHKFGL Preference Shares among other obligations under the Amended and Restated Shareholders' Agreement.

Amended and Restated Trade Mark Licence

As advised and confirmed by SHK, SHK, SHKFGL, EBSHK and ESIL entered into the Amended and Restated Trade Mark Licence, pursuant to which SHK agreed to extend SHKFGL, EBSHK and ESIL certain rights to use the trademarks and domain names used for their existing business operations of the SHKFGL and ESIL for a further eighteen (18) months following Share Sale Completion.

LISTING RULES IMPLICATIONS

As SHK is an indirect non-wholly owned subsidiary of APL, which in turn is a non-wholly owned subsidiary of AGL, the Transaction entered into by SHK shall be a transaction of each of AGL and APL under the Listing Rules as the definition of "listed issuer" under Chapter 14 of the Listing Rules shall include the listed issuer's subsidiaries.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Transaction exceeds 25% but is less than 75%, the Transaction constitutes a major transaction for SHK, and is therefore subject to the reporting, announcement and shareholders' approval requirements pursuant to Chapter 14 of the Listing Rules.

As no shareholder is required to abstain from voting at the general meeting of SHK to be convened for the approval of the Transaction, SHK obtained a written shareholder's approval from its controlling shareholder, namely AP Emerald Limited, an indirect wholly owned subsidiary of APL, which holds 1,245,582,575 SHK Shares as at the date of this joint announcement (representing approximately 62.83% of the total number of shares in issue of SHK), for approving the Transaction in lieu of holding a general meeting of SHK, pursuant to Rule 14.44 of the Listing Rules. A circular containing, among other things, further details of the Transaction, will be despatched to the SHK Shareholders on or before 8 December 2020.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Transaction exceeds 5% but below 25%, the Transaction constitutes a discloseable transaction for each of AGL and APL under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

RESUMPTION OF TRADING

At the requests of AGL and SHK, trading in shares of AGL and shares and debt securities (Stock Code: 5654, 5267, 40065) of SHK on the Stock Exchange have been halted with effect from 1:00 p.m. on 17 November 2020, pending the release of this joint announcement. Applications have been made to the Stock Exchange for the resumption of trading in shares of AGL and shares and debt securities of SHK on the Stock Exchange with effect from 9:00 a.m. on 18 November 2020.

Trading in shares of APL will remain suspended until further notice.

INTRODUCTION

References are made to (i) the announcements dated 2 February 2015 and 2 June 2015 jointly issued by AGL, APL and SHK; and (ii) the circular dated 27 February 2015 issued by SHK.

On 1 February 2015, SHK and ESFH entered into the Original Sale and Purchase Agreement for the sale and purchase of 70% equity interest in SHKFGL. Completion of the 70% Disposal took place on 2 June 2015. On the same date, SHK and ESFH entered into the Original Shareholders' Agreement to regulate the management of SHKFGL and their relationship with each other as shareholders.

As part of the Original Shareholders' Agreement, SHK and ESFH agreed that SHK could during the Put Option Period, exercise the Put Right to require ESFH to buy part or all of the shares SHK holds in SHKFGL.

EXERCISE OF THE PUT RIGHT

As advised and confirmed by SHK, on 17 November 2020, SHK, ESFH and SHKFGL entered into the Repurchase and Subscription Agreement to exercise the Put Right to require ESFH to buy the remaining 30% shareholding in SHKFGL held by SHK at the Consideration of (i) HK\$1,257,106,447 in cash; and (ii) HK\$1,156,000,000 in SHKFGL Preference Shares.

As advised and confirmed by SHK, as part of the Transaction, on 17 November 2020, SHK and respective parties also entered into the Amended and Restated Shareholders' Agreement, the Charge Agreement and the Amended and Restated Trade Mark Licence.

Repurchase and Subscription Agreement

Date: 17 November 2020

Parties: (1) SHK;
(2) ESFH; and
(3) SHKFGL

As advised and confirmed by SHK, which has made all reasonable enquiries and based on the confirmation of ESFH and to the best knowledge, information and belief of the AGL directors, the APL directors and the SHK directors, having made all reasonable enquiries, save as ESFH is the controlling shareholder of SHKFGL, ESFH and its ultimate beneficial owner are third parties independent of AGL, APL and SHK and their respective connected persons (as defined under the Listing Rules).

As advised and confirmed by SHK, in exercising the Put Right:

- (i) SHK shall sell and ESFH shall purchase 90,365,142 SHKFGL Shares, representing 30% of the entire issued share capital of SHKFGL and together with all of SHK's rights, title and interest to the SHKFGL Shares, free and clear of all encumbrances for a cash consideration of HK\$1,257,106,447 and an undertaking by ESFH to transfer the Subscription Shares to SHK (the "**Share Sale**");
- (ii) SHKFGL shall repurchase from ESFH and cancel the SHKFGL Shares purchased by ESFH from SHK; and
- (iii) in consideration of the repurchase, ESFH will then subscribe for 90,365,142 SHKFGL Preference Shares at the Subscription Price of HK\$1,156,000,000 to be allotted and issued by SHKFGL, which will be transferred to SHK as remaining part of the Consideration (together with (ii), the "**Subscription**").

Consideration

As advised and confirmed by SHK, the total Consideration for the sale and purchase of 90,365,142 SHKFGL Shares consists of (i) cash payment of HK\$1,257,106,447; and (ii) 90,365,142 SHKFGL Preference Shares at the Subscription Price of HK\$1,156,000,000.

The Consideration was determined between SHK and ESFH with reference to the put exercise price under the Original Sale and Purchase Agreement.

Condition Precedent

As advised and confirmed by SHK, Share Sale Completion was subject to the SHK Shareholders having passed a resolution at an extraordinary general meeting or by way of written resolution (if applicable), to approve the terms of, and the documents under the Transaction and in accordance with the Listing Rules.

As advised and confirmed by SHK, the above Condition has been fulfilled as at the date of the Repurchase and Subscription Agreement.

Share Sale Completion and Subscription Completion

As advised and confirmed by SHK, Share Sale Completion took place on the date of the Repurchase and Subscription Agreement. Subscription Completion will take place immediately upon the adoption of the amended and restated memorandum and articles of association of SHKFGL in connection with the Subscription.

If Subscription Completion does not take place on or before 23 November 2020, SHKFGL shall pay SHK additional coupon of 8.5% per annum of the Subscription Price (“**Additional Coupon**”), accruing daily from 24 November 2020 until the date of Subscription Completion. If Subscription Completion does not take place on or before 30 November 2020, the Transaction will be terminated and ESFH and SHKFGL shall pay SHK (i) the Subscription Price; (ii) Additional Coupon from 24 November 2020 to 30 November 2020; and (iii) an accrued interest from 1 December 2020 until the abovementioned overdue sum are received.

Amended and Restated Shareholders’ Agreement

As advised and confirmed by SHK, SHK, ESFH and SHKFGL entered into the Amended and Restated Shareholders’ Agreement to put in place the appropriate governance structure commensurate with their new relationship and the structure of SHKFGL, including but not limited to, terms relating to the SHKFGL Preference Shares, SHKFGL board representation, non-competition undertaking, restrictions on transfer of SHKFGL Shares and other reserved matters.

Terms relating to SHKFGL Preference Shares

Redemption: Redeemable and are subject to mandatory redemption, SHKFGL shall redeem 30,121,714 SHKFGL Preference Shares (being one third of the 90,365,142 SHKFGL Preference Shares to be transferred to SHK) on each of 1 June 2021, 1 June 2022 and 1 June 2023.

ESFH may in its sole discretion, require SHKFGL to redeem the remaining number of SHKFGL Preference Shares (after each mandatory redemption as mentioned above) on each of 1 June 2021, 1 December 2021, 1 June 2022 and 1 December 2022 in accordance with the Amended and Restated Shareholders' Agreement.

In the event that SHKFGL fails to pay the redemption premium (as stated below) upon redemption or occurrence of certain default event under the Amended and Restated Shareholders' Agreement, SHK may require SHKFGL to redeem all of the outstanding SHKFGL Preference Shares.

Redemption premium: Upon redemption, holder(s) of SHKFGL Preference Shares shall receive cash equivalent to 107% of the Subscription Price of the SHKFGL Preference Shares being redeemed, plus all accrued and unpaid Preferred Dividend calculated up to and including the date of redemption.

The redemption premium may be reduced upon early redemption, based on pre-agreed deduction amount subject to due performance of the Amended and Restated Shareholders' Agreement.

Preferred Dividend: A fixed, cumulative preferred dividend at a rate of 8.5% of the Subscription Price per annum from the date of issue, which shall accrue from day to day.

Subject to the Companies Act, the preferred dividend accrued shall be payable on first of June every year.

Liquidation: In case of any liquidation, winding-up or dissolution of SHKFGL, the available assets of SHKFGL shall be distributed in cash on each SHKFGL Preference Share in priority to distribution on any ordinary share of SHKFGL, up to an amount equal to:

- (a) 100% of the price of the SHKFGL Preference Shares (as adjusted for any subdivisions and/or consolidations); plus
- (b) all accrued and unpaid Preferred Dividend.

Voting rights: The SHKFGL Preference Shares confer and carry the right to vote (one vote per SHKFGL Preference Shares), and shall confer the right to receive notice of and attend any general meeting of SHKFGL; provided that in relation to matters that do not require the consent of SHK under the Amended and Restated Shareholders' Agreement, SHK shall not exercise the right to vote in relation the SHKFGL Preference Shares it holds at the relevant time.

SHKFGL Board Representation

The board of directors of SHKFGL shall consist of six (6) directors. SHK and ESFH shall be entitled to appoint one (1) and five (5) directors of SHKFGL, respectively.

Except for certain reserved matters which shall require the consent of SHK or its nominated director to the board of directors of SHKFGL, all decisions regarding the day-to-day operations and management of SHKFGL and the SHKFGL Group shall be resolved by the board of directors of SHKFGL by way of a simple majority vote.

Non-Competition Undertaking

SHK undertakes to ESFH that for a period of eighteen (18) months starting from the date of Share Sale Completion, SHK and its subsidiaries shall not either alone or jointly with any person, carry on any SFC regulated business of retail brokerage and retail wealth management in Hong Kong, and the equivalent business in the United Kingdom of Great Britain, Australia, Macau and the PRC.

Restriction on Transfer of SHKFGL Shares

Other than the redemption of the SHKFGL Preference Shares, none of SHK and ESFH shall transfer any SHKFGL Share, SHKFGL Preference Share or other security issued by SHKFGL to a party that is not their respective affiliate without prior written consent from the other party.

Charge Agreement

As advised and confirmed by SHK, to secure the obligation of SHKFGL under the Amended and Restated Shareholders' Agreement, SHK and the Chargors entered into the Charge Agreement, pursuant to which, each of the Chargors agrees to charge in favour of SHK, including but not limited to, their respective loan portfolio as a continuing security for the payment, discharge and satisfaction of obligation due or owing by SHKFGL to SHK for redeeming the SHKFGL Preference Shares among other obligations under the Amended and Restated Shareholders' Agreement.

The balance of the loan portfolio charged by the Chargors shall be adjusted in accordance to redemption status of the SHKFGL Preference Shares and the Chargors obligation shall be released upon redemption of the SHKFGL Preference Shares in full.

Amended and Restated Trade Mark Licence

As advised and confirmed by SHK, SHK, SHKFGL, EBSHK and ESIL entered into the Amended and Restated Trade Mark Licence, pursuant to which SHK agrees to extend SHKFGL, EBSHK and ESIL certain rights to use the trademarks and domain names used for their existing business operations of the SHKFGL for a further eighteen (18) months following Share Sale Completion.

INFORMATION ABOUT AGL, APL AND SHK

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, provision of elderly care services, property management, cleaning and security guarding services in Hong Kong, 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 currently listed on the main board of the Stock Exchange but remain suspended until further notice.

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 74.996% by AGL.

As disclosed in the scheme document dated 19 June 2020 and the joint announcements dated 9 October 2020, 14 October 2020, 19 October 2020, 21 October 2020 and 2 November 2020 of AGL, APL and Sunhill Investments Limited (a direct wholly owned subsidiary of AGL), APL is undergoing a proposed privatisation by Sunhill Investments Limited by way of a scheme of arrangement under section 673 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). The sanction of the scheme in relation to the proposed privatisation of APL has been declined by the High Court of Hong Kong. APL filed an appeal to the Court of Appeal of Hong Kong on 19 October 2020 and the appeal will be heard on Monday, 23 November 2020. Therefore the scheme may or may not become effective and the proposed privatisation may or may not be implemented.

Shareholders and potential investors of AGL and APL should exercise caution when dealing in securities of AGL or APL. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

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 financing and investing. In terms of financing, it operates businesses that engage in consumer finance, specialty finance and mortgage loans. In terms of investing, it is engaged in investment management and strategic investments.

As at the date of this joint announcement, SHK is beneficially owned as to approximately 62.83% by AP Emerald Limited, an indirect wholly owned subsidiary of APL.

INFORMATION ABOUT ESFH AND SHKFGL

ESFH

As advised and confirmed by SHK, ESFH is a wholly owned subsidiary of EBS, a joint stock company listed on the Stock Exchange and the Shanghai Stock Exchange. The business scope of the EBS includes securities brokerage, securities investment consulting, financial advisory relating to securities trading and securities investment, securities underwriting and sponsorship, proprietary trading of securities, intermediary introduction business for futures companies, proxy sale of securities investment funds, margin financing and securities lending business, proxy sale of financial products, market making of stocks and options and other businesses approved by the CSRC.

SHKFGL

As advised and confirmed by SHK, SHKFGL is a company incorporated in the British Virgin Islands with limited liability. The principal business activity of SHKFGL is investment holding. SHKFGL Group is a leading wealth management institution with five key business segments, including wealth management, corporate finance and capital markets, institutional business, asset management, investment and financing, serving individual, corporate and institutional clients in Hong Kong, Macau, PRC and the United Kingdom.

Prior to Share Sale Completion, SHKFGL was owned as to 70% by ESFH and 30% by SHK.

As advised and confirmed by SHK, the following is a summary of the audited consolidated financial information of the SHKFGL for the two financial years ended 31 December 2018 and 2019:

	For the year ended 31 December 2018 <i>HK\$'000</i>	For the year ended 31 December 2019 <i>HK\$'000</i>
Profit before taxation	372,534	368,323
Profit after taxation	328,457	336,777

The aforesaid audited consolidated financial information of the SHKFGL are for illustration purposes and is prepared based on the audited financial statements of the SHKFGL Group. As of 31 December 2019, the audited consolidated net asset value of SHKFGL amounted to approximately HK\$3,238,224,000.

REASONS FOR AND BENEFIT OF THE TRANSACTION

As advised and confirmed by SHK, the SHK Board considers the exercise of Put Right as part of the arrangement of the 70% Disposal and the Transaction will generate cash inflow, thereby strengthening the capital position of SHK and enabling SHK to pursue business growth in other areas.

As advised and confirmed by SHK, the Consideration was determined after arm's length negotiations between ESFH and SHK with reference to the put exercise price under the Original Sale and Purchase Agreement, and is on normal commercial terms. In view of the above, the SHK Board is of the view that the terms of the Transaction are on normal commercial terms and the Transaction 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 Board, the APL Board considers that the Transaction 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 Board, the AGL Board considers that the Transaction is fair and reasonable and in the interests of AGL and its shareholders taken as a whole.

FINANCIAL EFFECTS OF AND USE OF PROCEEDS

As advised and confirmed by SHK, it is expected that, subject to audit, SHK will record minimal gain or loss on the Transaction, and there will be minimal gain or loss attributable to APL and AGL as the guaranteed yield of 8.8% per annum on the 90,365,142 SHKFGL Shares held by SHK pursuant to the Original Shareholders' Agreement has been accrued in SHK's financial statements since 2015.

As advised and confirmed by SHK, SHK intends to apply the net proceeds (i) for business expansion in investment management and specialty finance; (ii) for the purpose of general working capital; and (iii) for dividend to its shareholders.

As advised and confirmed by SHK, upon Share Sale Completion and Subscription Completion, SHK will cease to hold any equity interest of SHKFGL (other than the SHKFGL Preference Shares). SHK anticipates that SHKFGL will cease to be an associate of SHK subject to the confirmation from the auditor.

LISTING RULES IMPLICATIONS

As SHK is an indirect non-wholly owned subsidiary of APL, which in turn is a non-wholly owned subsidiary of AGL, the Transaction entered into by SHK shall be a transaction of each of AGL and APL under the Listing Rules as the definition of “listed issuer” under Chapter 14 of the Listing Rules shall include the listed issuer’s subsidiaries.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Transaction exceeds 25% but is less than 75%, the Transaction constitutes a major transaction for SHK, and is therefore subject to the reporting, announcement and shareholders’ approval requirements pursuant to Chapter 14 of the Listing Rules.

As no shareholder is required to abstain from voting at the general meeting of SHK to be convened for the approval of the Transaction, SHK obtained a written shareholder’s approval from its controlling shareholder, namely AP Emerald Limited, an indirect wholly owned subsidiary of APL, which holds 1,245,582,575 SHK Shares as at the date of this joint announcement (representing approximately 62.83% of the total number of shares in issue of SHK), for approving the Transaction in lieu of holding a general meeting of SHK, pursuant to Rule 14.44 of the Listing Rules. A circular containing, among other things, further details of the Transaction, will be despatched to the SHK Shareholders on or before 8 December 2020.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Transaction exceeds 5% but below 25%, the Transaction constitutes a discloseable transaction for each of AGL and APL under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

RESUMPTION OF TRADING

At the requests of AGL and SHK, trading in shares of AGL and shares and debt securities (Stock Code: 5654, 5267, 40065) of SHK on the Stock Exchange have been halted with effect from 1:00 p.m. on 17 November 2020, pending the release of this joint announcement. Applications have been made to the Stock Exchange for the resumption of trading in shares of AGL and shares and debt securities of SHK on the Stock Exchange with effect from 9:00 a.m. on 18 November 2020.

Trading in shares of APL will remain suspended until further notice.

DEFINITIONS

In this joint announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“AGL”	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 (Stock Code: 373)
“AGL Board”	the board of directors of AGL
“Amended and Restated Shareholders’ Agreement”	the shareholders’ agreement dated 17 November 2020 entered into between SHK, ESFH and SHKFGL which amends and restates the Original Shareholders’ Agreement
“Amended and Restated Trade Mark Licence”	the amended and restated trade mark licence agreement dated 17 November 2020 entered into between SHK, SHKFGL, EBSHK and ESIL which amends and restates the trade mark licence agreement dated 2 June 2015
“APL”	Allied Properties (H.K.) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 56) and a non-wholly owned subsidiary of AGL. The trading in shares of APL remain suspended until further notice
“APL Board”	the board of directors of APL
“Charge Agreement”	the charge agreement dated 17 November 2020 entered into between SHK and the Chargors
“Chargors”	Sun Hung Kai Investment Services Limited and Structured Solutions Limited, both incorporated in Hong Kong with limited liability and are indirect wholly owned subsidiaries of SHKFGL
“Companies Act”	BVI Business Companies Act and any of its amendment acts

“Condition”	the condition of the Repurchase and Subscription Agreement as set out in the section headed “Condition Precedent” to this joint announcement
“Consideration”	(i) cash payment of HK\$1,257,106,447; and (ii) 90,365,142 SHKFGL Preference Shares at the Subscription Price of HK\$1,156,000,000
“CSRC”	the China Securities Regulatory Commission
“EBS”	Everbright Securities Company Limited (光大證券股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 601788) and the main board of the Stock Exchange (Stock Code: 6178)
“EBSHK”	Everbright Sun Hung Kai Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of SHKFGL
“ESFH”	Everbright Securities Financial Holdings Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of EBS
“ESIL”	Everbright Securities (International) Limited, a company incorporated in British Virgin Islands with limited liability and a wholly-owned subsidiary of ESFH
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Original Sale and Purchase Agreement”	the sale and purchase agreement dated 1 February 2015 entered into between SHK and ESFH in relation to the 70% Disposal and the transactions contemplated thereunder
“Original Shareholders’ Agreement”	the shareholders’ agreement dated 2 June 2015, entered into between SHK, ESFH and SHKFGL as part of the transaction of the 70% Disposal, which is amended and restated by the Amended and Restated Shareholders’ Agreement

“PRC”	People’s Republic of China, which for the purpose of this joint announcement shall exclude Hong Kong, Taiwan and the Macau Special Administrative Region of the People’s Republic of China
“Preferred Dividend”	a fixed, cumulative preferential dividend of 8.5% per annum accruing on each SHKFGL Preference Share
“Put Option Period”	the period which SHK can exercise its Put Right, from the period of six months commencing on the third anniversary of completion of the 70% Disposal, which is 2 December 2018, to the period of six months commencing on the fifth anniversary of the 70% Disposal, which is 2 December 2020
“Put Right”	the put right to require ESFH to buy part or all of the shares in SHKFGL in cash held by SHK
“Repurchase and Subscription Agreement”	the repurchase and subscription agreement dated 17 November 2020 entered into between SHK, ESFH and SHKFGL
“SFC”	the Securities and Futures Commission
“Share Sale Completion”	completion of the Share Sale
“SHK”	Sun Hung Kai & Co. Limited, a company incorporated in Hong Kong with limited liability, the securities of which are listed on the Stock Exchange (Stock Code: 86)
“SHK Board”	the board of directors of SHK
“SHK Share(s)”	ordinary share(s) in the share capital of SHK
“SHK Shareholder(s)”	holder(s) of SHK Share
“SHKFGL”	Sun Hung Kai Financial Group Limited (新鴻基金金融集團有限公司), a company incorporated in the British Virgin Islands with limited liability
“SHKFGL Group”	SHKFGL and its subsidiaries

“SHKFGL Preference Share(s)”	redeemable preference share(s) issued by SHKFGL
“SHKFGL Share(s)”	ordinary share(s) in the share capital of SHKFGL
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Completion”	completion of the Subscription
“Subscription Price”	HK\$1,156,000,000 payable by ESFH to SHKFGL for the subscription of 90,365,142 SHKFGL Preference Shares pursuant to the Repurchase and Subscription Agreement
“Subscription Shares”	90,365,142 SHKFGL Preference Shares
“Transaction”	the sale and purchase of 30% equity interest in SHKFGL by SHK to ESFH under the Repurchase and Subscription Agreement and the transactions contemplated under the Amended and Restated Shareholders’ Agreement, the Charge Agreement and the Amended and Restated Trade Mark Licence
“70% Disposal”	the disposal of 70% equity interest in SHKFGL by SHK to ESFH under the Original Sale and Purchase Agreement
“%”	per cent

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
Mark Wong Tai Chun
Executive Director

On behalf of the SHK Board
Sun Hung Kai & Co. Limited
Simon Chow Wing Charn
Executive Director

Hong Kong, 17 November 2020

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, Ms. Lisa Yang Lai Sum and Mr. Kelvin Chau Kwok Wing being the Independent Non-Executive Directors.

As at the date of this joint announcement, the APL Board comprises Messrs. Lee Seng Hui (Chief Executive) and Mark Wong Tai Chun being the Executive Directors; Messrs. Arthur George Dew (Chairman) and Li Chi Kong being the Non-Executive Directors; 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) and Simon Chow Wing Charn being the Executive Directors, Messrs. Peter Anthony Curry and Jonathan Andrew Cimino being the Non-Executive Directors and Mr. Evan Au Yang Chi Chun, Mr. David Craig Bartlett, Mr. Alan Stephen Jones and Ms. Jacqueline Alee Leung being the Independent Non-Executive Directors.