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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
CONVERTIBLE NOTE AGREEMENT
AND
SUBSCRIPTION AND SHAREHOLDERS' AGREEMENT**

As advised and confirmed by SHK, on 10th December, 2015, SHK Capital, a wholly-owned subsidiary of SHK, entered into (i) the Convertible Note Agreement with CMIH in respect of the subscription of the Convertible Note in an aggregate principal amount of US\$100,000,000; and (ii) the Subscription and Shareholders' Agreement with CMI and CMIH, in respect of the exercise of the conversion rights under the Convertible Note Agreement to subscribe for the Conversion Shares and the agreed terms on the rights and obligations of CMIH Shareholders.

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

As advised and confirmed by SHK, on 10th December, 2015, SHK Capital, a wholly-owned subsidiary of SHK, entered into (i) the Convertible Note Agreement with CMIH in respect of the subscription of the Convertible Note in an aggregate principal amount of US\$100,000,000; and (ii) the Subscription and Shareholders' Agreement with CMI and CMIH, in respect of the exercise of the conversion rights under the Convertible Note Agreement to subscribe for the Conversion Shares and the agreed terms on the rights and obligations of CMIH Shareholders.

As advised and confirmed by SHK, which has made all reasonable enquiries and based on the confirmations of CMI and CMIH, and to the best knowledge, information and belief of the AGL Directors, APL Directors and SHK Directors, having made all reasonable enquiries, CMI, CMIH and their respective ultimate beneficial owner(s) are all third parties independent of AGL, APL and SHK and their respective connected persons.

CONVERTIBLE NOTE AGREEMENT

As advised and confirmed by SHK, on 10th December, 2015, SHK Capital entered into the Convertible Note Agreement with CMIH pursuant to which CMIH agreed to issue and SHK Capital agreed to subscribe for the Convertible Note at a subscription amount of US\$100,000,000, equivalent to the principal amount of the Convertible Note.

Principal terms of the Convertible Note Agreement

Issuer:	CMIH
Subscriber:	SHK Capital
Principal amount:	US\$100,000,000

Issue price: 100% of the principal amount

Interest: Nil

Issue date: Subject to the payment of the aggregate principal amount of the Convertible Note by SHK Capital, the Convertible Note shall be issued by CMIH to SHK Capital within eight (8) Business Days after receipt by SHK Capital of a subscription notice, and in any case shall be no later than 31st December, 2015.

Conversion Shares: Assuming full conversion of the Convertible Note at the Conversion Price, a total of 100,000,000 Conversion Shares will be allotted and issued by CMIH, representing approximately 3.3% to 4.5% of the enlarged issued and paid-up share capital of CMIH upon Conversion.

Conversion Price: US\$1.00 per Conversion Share

Conversion pre-requisite: Upon receipt by SHK Capital of written confirmation from CMIH that (i) the total issued and paid-up share capital of CMIH is at least US\$1,790,000,000; (ii) investors, including but not limited to SHK Capital, have subscribed for notes issued by CMIH or otherwise invested in CMIH, such that CMIH meets or exceeds its fundraising target of US\$410,000,000 and such amount has been, or will be, applied to the share capital of CMIH and converted to shares (at US\$1 per share) on or around the Conversion Date on substantially similar terms as under the Convertible Note Agreement; and (iii) the amended memorandum and articles of association of CMIH are consistent with the terms of the Subscription and Shareholders' Agreement in all respects, the Convertible Note shall be mandatorily converted into the Conversion Shares at the Conversion Price, on such date (i.e. the Conversion Date) no later than the First Round Closing Date or any other date as mutually agreed by CMIH and SHK Capital in writing.

Conversion rights: SHK Capital shall, on the Conversion Date, immediately by serving CMIH the Conversion Notice convert the Convertible Note into the Conversion Shares. Upon receipt of the Conversion Notice, CMIH shall, within three (3) Business Days allot and issue to SHK Capital the Conversion Shares (credited as fully paid up) to which SHK Capital is entitled by way of Conversion, and such allotment and issue shall be in satisfaction of the corresponding amount of the Convertible Note so converted.

Ranking: The Conversion Shares will, with effect from the Conversion Date, rank for any dividends, rights or other distributions, the record date of which falls on or after the relevant date of Conversion and (subject to the aforesaid) will rank pari passu in all respects with the then existing CMIH Shares.

Repayment date: CMIH shall repay the aggregate principal amount represented by the Convertible Note, together with interest at the rate of 5% per annum calculated from the payment date of the aggregate principal amount of the Convertible Note to the date of such repayment, within seven (7) Business Days of written demand by SHK Capital, which shall not be earlier than the First Round Closing Date or any other date mutually agreed by SHK Capital and CMIH in writing.

Redemption: CMIH shall not repay the aggregate principal amount represented by the Convertible Note or any parts thereof prior to the Conversion Date or any earlier date mutually agreed by SHK Capital and CMIH in writing.

Events of default: Upon occurrence of certain events of default specified in the Convertible Note Agreement, SHK Capital may by written notice to CMIH, require the immediate repayment of the aggregate principal amount represented by the Convertible Note without any interest, revenue, profit or benefit whatsoever.

Transferability: Neither SHK Capital nor CMIH may assign or transfer all or any part of its rights under the Convertible Note Agreement or delegate the performance or novate all or any part of its obligations under the Convertible Note Agreement without the prior written approval of the other party.

SUBSCRIPTION AND SHAREHOLDERS' AGREEMENT

As advised and confirmed by SHK, on 10th December, 2015, SHK Capital, CMIH and CMI entered into the Subscription and Shareholders' Agreement, pursuant to which, (a) on the Conversion Date, CMIH shall issue and SHK Capital shall exercise the conversion rights to subscribe for 100,000,000 Conversion Shares under the Convertible Note Agreement; and (b) SHK Capital, CMI and CMIH agreed to set out the terms to regulate their respective rights and obligations of CMIH Shareholders. The major terms of the Subscription and Shareholders' Agreement include:-

Deed of Ratification and Accession

For the purpose of further development and expansion of CMIH, during the First Round Fundraising, CMIH shall issue new CMIH Shares to various investors, provided always that those investors (i) shall adopt the principles and spirit in all the terms and conditions as set out in the Subscription and Shareholders' Agreement; and (ii) shall execute a legally binding deed of ratification and accession such that they are to be bound by the terms of the Subscription and Shareholders' Agreement as if they were an original party thereto.

After the First Round Fundraising, each of the CMIH Shareholders shall exercise their respective powers for the time being in CMIH and take such other steps as for the time being lie within their powers to procure that CMIH does not issue any new CMIH Shares without first offering such issue of new CMIH Shares to each of the CMIH Shareholders.

Business of CMIH

Notwithstanding the provisions under the memorandum and articles of association of CMIH, CMIH shall unless and until SHK Capital, CMI and CMIH otherwise agree be an investment holding company.

Board composition of CMIH

After the Conversion, the CMIH Board shall comprise (i) the chairman (who is also the chairman of the board of directors of CMI); (ii) the executive vice-chairman of CMIH; (iii) the chief executive officer of CMIH; and (iv) other director(s), who shall include representative(s) from CMIH Shareholder(s) and/or independent director(s). Following the Conversion, SHK Capital shall be entitled to appoint one (1) director to the CMIH Board.

All resolutions of the directors at a meeting or adjourned meeting of the CMIH Board shall be by two-thirds votes of all the directors present. A resolution signed or in writing by two-thirds of the directors of CMIH for the time being shall be valid and effectual as if it has been a resolution passed at a meeting of the CMIH Board duly convened and held.

Transfer or sale of CMIH Shares

In the event that a Selling CMIH Shareholder wishes to dispose any CMIH Shares, the other CMIH Shareholders will have a right of first refusal to acquire all or part of the relevant CMIH Shares from the Selling CMIH Shareholder at the same price and upon the terms and conditions under the offer made by a proposed third party transferee. If any of the CMIH Shareholders does not exercise its right of first refusal, it shall have the right to request the Selling CMIH Shareholder to procure the intended buyer to make him an offer to purchase such proportion of CMIH Shares held by it as reflects, as nearly as possible, the proportion of CMIH Shares being transferred or disposed by the Selling CMIH Shareholder, on conditions not less favourable than those being offered to the Selling CMIH Shareholder by the intended buyer.

Subject to the right by CMIH Shareholder(s) to request the intended buyer to extend its offer as mentioned above, where one or a group of Selling CMIH Shareholder(s) wish to transfer in aggregate more than 50% of equity interest in CMIH to an intended buyer, the Selling CMIH Shareholder(s) will be entitled to transfer the equity interest to the intended buyer and also have the option to require all of the other CMIH Shareholder(s) to transfer to the intended buyer all of the equity interest in CMIH held by it/them.

Put Option

CMIH agrees to grant to SHK Capital the Put Option, exercisable from the Business Day immediately succeeding the fifth (5th) anniversary of the Conversion Date, to require CMIH to repurchase the 100,000,000 Conversion Shares held by SHK Capital out of CMIH's share capital or profits.

The purchase price payable by CMIH upon the exercise of the Put Option by SHK Capital shall be US\$100,000,000 plus an amount equivalent to 5% per annum on the

US\$100,000,000, calculated on the basis of 365-day year and the actual number of days elapsed from the payment date of the aggregate principal amount of the Convertible Note to the date of exercise of the Put Option.

The Put Option is exercisable only if that there is no initial public offering of CMIH on the Singapore or any other internationally recognised stock exchange by the Business Day immediately succeeding the 5th anniversary of the Conversion Date.

INFORMATION ABOUT AGL, APL, SHK, SHK CAPITAL, CMI AND CMIH

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 securities 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 74.91% by AGL.

SHK

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

As at the date of this joint announcement, SHK is beneficially owned as to approximately 55.31% 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.

CMI

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

CMI 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. CMI 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. CMI is dedicated to lead and guide the investment of China's private capital, driving of economic transition and upgrading of the national economy.

CMIH

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

CMIH is a subsidiary of CMI and was founded by CMI 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, CMIH 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.

Since CMIH only incorporated on 18th December, 2014, the figures in the financial statements prepared for the year ended 31st December, 2014 were insignificant and not meaningful.

REASONS FOR AND BENEFITS OF THE TRANSACTION

As advised and confirmed by SHK, the SHK Directors consider that the terms of the Convertible Note Agreement and the Subscription and Shareholders' Agreement, including the Conversion Price, were arrived at after arm's length negotiations between SHK Capital, CMIH and CMI.

The SHK Board considers that the Transaction is in line with the SHK Group's objective to invest in companies that bring strategic value to the SHK Group. The SHK Board also considers that the Transaction will diversify the SHK Group's investments portfolio into other areas in the financial services sector in particular, by participating together with various major investors on a significant international Chinese investment platform.

In view of the above, the SHK Directors are of the view that the terms of the Convertible Note Agreement and the Subscription and Shareholders' Agreement 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 Directors, the APL Directors consider 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 Directors, the AGL Directors consider that the Transaction 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 Transaction entered into by SHK Capital 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 Transaction constitutes a discloseable transaction of each of AGL, APL and SHK under Chapter 14 of the Listing Rules, as the relevant percentage ratio pursuant to Rule 14.07 of the Listing Rules in respect of the Transaction for each of AGL, APL and SHK exceeds 5% but is below 25%. The Transaction is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“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 AGL Directors;
“AGL Directors”	directors of AGL;
“APL”	Allied Properties (H.K.) Limited, a company incorporated in Hong Kong with limited liability, the securities of which are listed on the main board of the Stock Exchange (Stock Code: 56 and Warrant Code: 1183) and a non wholly-owned subsidiary of AGL;
“APL Board”	the board of APL Directors;
“APL Directors”	directors of APL;
“Business Day(s)”	a day (excluding Saturday, Sunday and public holidays) on which commercial banks are open for business in Singapore;
“CMI”	China Minsheng Investment Co., Ltd., a company incorporated in the PRC with limited liability;
“CMIH”	CM International Holding Pte. Ltd., a company incorporated in Singapore with limited liability and a subsidiary of CMI;
“CMIH Board”	the board of directors of CMIH;
“CMIH Share(s)”	the issued ordinary share(s) in the issued and paid-up share capital of CMIH from time to time;

“CMIH Shareholder(s)”	holders of CMIH Shares from time to time;
“connected persons”	having the meaning ascribed to it under the Listing Rules;
“Conversion”	the conversion of the Convertible Note into the Conversion Shares pursuant to the Convertible Note Agreement;
“Conversion Date”	the second Business Day following the fulfilment or waiver of the conversion conditions as set out in the Convertible Note Agreement;
“Conversion Notice”	a duly executed notice of conversion as set out in the Convertible Note Agreement;
“Conversion Price”	US\$1.00 per Conversion Share;
“Conversion Share(s)”	100,000,000 new CMIH Shares to be issued upon exercise of the Convertible Note at the Conversion Price;
“Convertible Note”	the convertible note with an aggregate principal amount of US\$100,000,000 which will be converted into 100,000,000 Conversion Shares upon Conversion under the Convertible Note Agreement;
“Convertible Note Agreement”	the convertible note agreement entered into between SHK Capital and CMIH on 10th December, 2015, pursuant to which CMIH shall issue and SHK Capital shall subscribe for the Convertible Note subject to the terms and conditions therein;
“First Round Closing Date”	31st August, 2016, being the closing date for First Round Fundraising of CMIH;
“First Round Fundraising”	the issuance of an estimate of 410,000,000 to 1,210,000,000 new CMIH Shares to various investors such that the share capital of CMIH shall be increased to at least US\$2.2 billion on or before the First Round Closing Date;

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“Put Option”	the option granted by CMIH to SHK Capital under the Subscription and Shareholders’ Agreement to require CMIH to repurchase the Conversion Shares from SHK Capital;
“RMB”	Renminbi, the lawful currency of the PRC;
“Selling CMIH Shareholder(s)”	any CMIH Shareholder(s) who intend to dispose any CMIH Shares;
“SHK”	Sun Hung Kai & Co. 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: 86) and an indirect non wholly-owned subsidiary of each of AGL and APL;
“SHK Board”	the board of SHK Directors;
“SHK Capital”	Sun Hung Kai Capital Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of SHK;
“SHK Directors”	directors of SHK;
“SHK Group”	SHK and its subsidiaries;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription and Shareholders’ Agreement”	the subscription and shareholders’ agreement entered into between SHK Capital, CMI and CMIH on 10th December, 2015 in relation to, among others, the subscription of the Conversion Shares and the agreed terms on the rights and obligations of CMIH Shareholders;

“Transaction”	the transaction contemplated under the Convertible Note Agreement and the Subscription and Shareholders’ Agreement;
“US\$”	United States dollars, the lawful currency of the United States of America; and
“%”	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
Li Chi Kong
Executive Director

On behalf of the SHK Board
Sun Hung Kai & Co. Limited
Peter Anthony Curry
Executive Director

Hong Kong, 10th December, 2015

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, Joseph Tong Tang and Peter Anthony Curry being the Executive Directors; Mr. Ahmed Mohammed Aqil Qassim Alqassim (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.