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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

CONTINUING CONNECTED TRANSACTIONS

- (I) SUPPLEMENTAL SHK SHARING OF MANAGEMENT SERVICES AGREEMENT;**
- (II) RENEWED SHK SHARING OF MANAGEMENT SERVICES AGREEMENT;**
- (III) SUPPLEMENTAL APL SHARING OF ADMINISTRATIVE SERVICES AND MANAGEMENT SERVICES AGREEMENT; AND**
- (IV) RENEWED APL SHARING OF ADMINISTRATIVE SERVICES AND MANAGEMENT SERVICES AGREEMENT**

SUPPLEMENTAL SHK SHARING OF MANAGEMENT SERVICES AGREEMENT

On 7th February, 2017, SHK entered into the Supplemental SHK Sharing of Management Services Agreement with AGL, whereby parties thereto agreed to increase the annual cap of the fees payable by SHK Group to AGL in respect of the Management Services for the year ended 31st December, 2016 from HK\$6,780,000 to HK\$8,455,000 by amending the terms of the SHK Sharing of Management Services Agreement.

RENEWED SHK SHARING OF MANAGEMENT SERVICES AGREEMENT

On 7th February, 2017, SHK and AGL entered into the Renewed SHK Sharing of Management Services Agreement, whereby parties thereto agreed to renew and extend the term of the SHK Sharing of Management Services Agreement (as supplemented by the Supplemental SHK Sharing of Management Services Agreement) for a period of three years from 1st January, 2017 to 31st December, 2019.

SUPPLEMENTAL APL SHARING OF ADMINISTRATIVE SERVICES AND MANAGEMENT SERVICES AGREEMENT

On 7th February, 2017, APL entered into the Supplemental APL Sharing of Administrative Services and Management Services Agreement with AGL, whereby parties thereto agreed to increase the annual cap of the fees payable by APL Group to AGL in respect of the Management Services for the year ended 31st December, 2016 from HK\$23,700,000 to HK\$27,178,000 by amending the terms of the APL Sharing of Administrative Services and Management Services Agreement.

RENEWED APL SHARING OF ADMINISTRATIVE SERVICES AND MANAGEMENT SERVICES AGREEMENT

On 7th February, 2017, APL and AGL entered into the Renewed APL Sharing of Administrative Services and Management Services Agreement, whereby parties thereto agreed to renew and extend the term of the APL Sharing of Administrative Services and Management Services Agreement (as supplemented by the Supplemental APL Sharing of Administrative Services and Management Services Agreement) for a period of three years from 1st January, 2017 to 31st December, 2019.

LISTING RULES IMPLICATIONS

SHK

Following the entering into of the Supplemental SHK Sharing of Management Services Agreement, there is an update on the 2016 SHK Annual Cap as compared to that disclosed in the section titled “Renewed Sharing of Management Services Agreement” in the SHK Previous Announcement. Pursuant to Rule 14A.54 of the Listing Rules, SHK is required to re-comply with Rule 14A.53 of the Listing Rules.

As at the date of this joint announcement, SHK is held as to approximately 56.33% by APL, which in turn is held as to approximately 74.99% by AGL. Given that AGL is an associate of APL (which is a Substantial Shareholder of SHK), AGL is regarded as a connected person of SHK under the Listing Rules. As a result, the entering into of each of the SHK Agreements by SHK constitutes a continuing connected transaction of SHK under the Listing Rules.

As one or more of the relevant applicable percentage ratios (other than the profits ratio) set out in Rule 14.07 of the Listing Rules in respect of the fees payable by SHK Group to AGL for each of the SHK Agreements will, on an annual basis, exceed 0.1% but be less than 5%, the entering into of each of the SHK Agreements by SHK is subject to the reporting, announcement and annual review requirements but exempt from independent shareholders’ approval requirements under the Listing Rules.

APL

Following the entering into of the Supplemental APL Sharing of Administrative Services and Management Services Agreement and the Supplemental SHK Sharing of Management Services Agreement, there is an update on the 2016 APL Annual Cap as compared to that disclosed in the section titled “Renewed Sharing of Administrative Services and Management Services Agreement” in the APL Previous Announcement. Pursuant to Rule 14A.54 of the Listing Rules, APL is required to re-comply with Rule 14A.53 of the Listing Rules.

As at the date of this joint announcement, APL is held as to approximately 74.99% by AGL, AGL is a connected person of APL under the Listing Rules.

As one or more of the relevant applicable percentage ratios (other than the profits ratio) set out in Rule 14.07 of the Listing Rules in respect of the aggregated fees payable by APL Group to AGL for the sharing of Management Services under the SHK Agreements and the APL Agreements will, on an annual basis, exceed 0.1% but be less than 5%, the entering into of the SHK Agreements and the APL Agreements regarding the sharing of Management Services constitutes a continuing connected transaction for APL under Rule 14A.31 of the Listing Rules which is subject to the reporting, announcement and annual review requirements but exempt from independent shareholders’ approval requirements under the Listing Rules.

SUPPLEMENTAL SHK SHARING OF MANAGEMENT SERVICES AGREEMENT

Reference is made to the SHK Previous Announcement.

On 7th February, 2017, SHK entered into the Supplemental SHK Sharing of Management Services Agreement with AGL, whereby parties thereto agreed to increase the annual cap of the fees payable by SHK Group to AGL in respect of the Management Services for the year ended 31st December, 2016 from HK\$6,780,000 to HK\$8,455,000 by amending the terms of the SHK Sharing of Management Services Agreement.

Under the SHK Sharing of Management Services Agreement (as supplemented by the Supplemental SHK Sharing of Management Services Agreement), SHK Group agreed to reimburse a portion of the actual costs of the services incurred by AGL by reference to a specified percentage of the remuneration of members of the Management Staff providing the Management Services to SHK Group, which would be payable by SHK Group on a quarterly basis.

The amount of fees paid and payable by SHK Group to AGL for the Management Services provided by the Management Staff for each of the two financial years ended on 31st December, 2015 were approximately HK\$5,370,000 and HK\$6,030,000 respectively. The historical service fees paid by SHK Group reflected the actual level of requirement for the Management Services that were provided by the Management Staff.

During the year ended 31st December, 2016, the actual cost incurred by AGL by reference to the specified percentage of the remuneration of the Management Staff providing the Management Services to SHK Group is HK\$8,455,000, which has exceeded the agreed fees payable by SHK Group to AGL of HK\$6,780,000 for the year ended 31st December, 2016 in respect of the Management Services.

The 2016 SHK Annual Cap has been exceeded mainly because of the increase in the actual costs of the services provided to the affairs of SHK Group during the year ended 31st December, 2016. The remuneration of certain members of the Management Staff was increased for the year ended 31st December, 2016 when compared to the projection made in January 2014.

The SHK Directors considered that the sharing of the Management Services arrangement would benefit SHK Group in that both AGL and SHK Group can enjoy economies of scale brought by the sharing of the Management Services which would maximise cost efficiency and management effectiveness.

RENEWED SHK SHARING OF MANAGEMENT SERVICES AGREEMENT

As the SHK Sharing of Management Services Agreement had expired on 31st December, 2016, on 7th February, 2017, SHK and AGL entered into the Renewed SHK Sharing of Management Services Agreement, whereby parties thereto agreed to renew and extend the term of the SHK Sharing of Management Services Agreement (as supplemented by the Supplemental SHK Sharing of Management Services Agreement) for a period of three years from 1st January, 2017 to 31st December, 2019.

The major terms of the Renewed SHK Sharing of Management Services Agreement are as follows:

| | | |
|-----------------------|---|--|
| Date | : | 7th February, 2017 |
| Parties | : | SHK and AGL |
| Effective period | : | Three years commencing from 1st January, 2017 and expiring on 31st December, 2019 |
| Nature of transaction | : | SHK agreed to reimburse AGL the costs incurred in respect of the Management Services provided by AGL to SHK Group. |
| Terms | : | SHK Group agreed to reimburse a portion of the actual costs of the services incurred by AGL by reference to a specified percentage of the remuneration of members of the Management Staff providing the Management Services to SHK Group, which will be payable by SHK Group on a quarterly basis. Such percentage varies among each member of the Management Staff providing the Management Services and would be determined by reference to the percentage of the time currently estimated to be devoted by the individual members of the Management Staff to the affairs of SHK Group against the amount of time they would otherwise devote to the affairs of AGL as full time employees of AGL. |

- Historical figures : Prior to the signing of the Renewed SHK Sharing of Management Services Agreement, the amount of fees paid and payable by SHK Group to AGL for the Management Services provided by the Management Staff for each of the three financial years ended on 31st December, 2016 were approximately HK\$5,370,000, HK\$6,030,000 and HK\$8,455,000 respectively. The historical service fees paid by SHK Group reflected the actual level of requirement for the Management Services that were provided by the Management Staff.
- Annual cap and the basis of determining the same : In determining the annual cap, besides taking into account the aforementioned service fees paid and payable by SHK Group for each of the three financial years ended on 31st December, 2016, the SHK Directors have also taken into consideration the existing scales of SHK Group's operations and, for the purpose of determining the annual cap only, the anticipated growth of SHK Group, the anticipated increase in the remuneration of those Management Staff who are involved in providing the Management Services to SHK Group, and having done so, for each of the three financial years ending on 31st December, 2019, the aggregate annual amount payable by SHK Group in respect of the Management Services under the Renewed SHK Sharing of Management Services Agreement is expected not to exceed HK\$24,000,000, HK\$26,500,000 and HK\$29,000,000 respectively and accordingly, the above figures have been adopted as the annual cap for the transaction under the Renewed SHK Sharing of Management Services Agreement in respect of the same period.
- Reasons for and benefits of the transaction : The SHK Directors consider that the sharing of the Management Services arrangement will benefit SHK Group in that both AGL and SHK Group can enjoy economies of scale brought by the sharing of the Management Services which will maximise cost efficiency and management effectiveness. In addition, since members of the Management Staff will devote part of their time to the affairs of SHK Group in the course of performance of the Management Services to SHK Group, the SHK Directors consider that it is reasonable for SHK Group to be charged for the Management Services so as to allocate the costs borne by AGL in this respect.

SUPPLEMENTAL APL SHARING OF ADMINISTRATIVE SERVICES AND MANAGEMENT SERVICES AGREEMENT

Reference is made to the APL Previous Announcement.

On 7th February, 2017, APL entered into the Supplemental APL Sharing of Administrative Services and Management Services Agreement with AGL, whereby parties thereto agreed to increase the annual cap of the fees payable by APL Group to AGL in respect of the Management Services for the year ended 31st December, 2016 from HK\$23,700,000 to HK\$27,178,000 by amending the terms of the APL Sharing of Administrative Services and Management Services Agreement.

Under the APL Sharing of Administrative Services and Management Services Agreement (as supplemented by the Supplemental APL Sharing of Administrative Services and Management Services Agreement), APL Group agreed to reimburse a portion of the actual costs of the services incurred by AGL by reference to a specified percentage of the remuneration of members of the Management Staff providing the Management Services to APL Group, which would be payable by APL Group on a quarterly basis.

The amount of fees paid and payable by APL Group to AGL for the Management Services provided by the Management Staff for each of the two financial years ended on 31st December, 2015 were approximately HK\$18,840,000 and HK\$21,120,000 respectively. The historical service fees paid by APL Group reflected the actual level of requirement for the Management Services that were provided by the Management Staff.

During the year ended 31st December, 2016, the actual cost incurred by AGL by reference to the specified percentage of the remuneration of the Management Staff providing the Management Services to APL Group is HK\$27,178,000, which has exceeded the agreed fees payable by APL Group to AGL of HK\$23,700,000 for the year ended 31st December, 2016 in respect of the Management Services.

The 2016 APL Annual Cap has been exceeded mainly because of the increase in the actual costs of the services provided to the affairs of APL Group during the year ended 31st December, 2016. The remuneration of certain members of the Management Staff was increased for the year ended 31st December, 2016 when compared to the projection made in January 2014.

The APL Directors considered that the sharing of Administrative Services and Management Services arrangement would benefit APL Group in that both AGL and APL Group can enjoy economies of scale brought by the sharing of the Administrative Services and Management Services which would maximise cost efficiency and management effectiveness.

RENEWED APL SHARING OF ADMINISTRATIVE SERVICES AND MANAGEMENT SERVICES AGREEMENT

As the APL Sharing of Administrative Services and Management Services Agreement had expired on 31st December, 2016, on 7th February, 2017, APL and AGL entered into the Renewed APL Sharing of Administrative Services and Management Services Agreement, whereby parties thereto agreed to renew and extend the term of the APL Sharing of Administrative Services and Management Services Agreement (as supplemented by the Supplemental APL Sharing of Administrative Services and Management Services Agreement) for a period of three years from 1st January, 2017 to 31st December, 2019.

The major terms of the Renewed APL Sharing of Administrative Services and Management Services Agreement are as follows:

| | | |
|--|---|--|
| Date | : | 7th February, 2017 |
| Parties | : | APL and AGL |
| Effective period | : | Three years commencing from 1st January, 2017 and expiring on 31st December, 2019 |
| Nature of transaction | : | APL agreed to reimburse AGL the costs incurred in respect of the Administrative Services and the Management Services provided by AGL to APL Group. |
| Terms in respect of the sharing of Management Services | : | APL Group agreed to reimburse a portion of the actual costs of the services incurred by AGL by reference to a specified percentage of the remuneration of members of the Management Staff providing the Management Services to APL Group, which will be payable by APL Group on a quarterly basis. Such percentage varies among each member of the Management Staff providing Management Services and would be determined by reference to the percentage of the time currently estimated to be devoted by the individual members of the Management Staff to the affairs of APL Group against the amount of time they would otherwise devote to the affairs of AGL as full time employees of AGL. |

- Historical figures : Prior to the signing of the Renewed APL Sharing of Administrative Services and Management Services Agreement, the amount of fees paid and payable by APL Group to AGL for the Management Services provided by the Management Staff for each of the three financial years ended on 31st December, 2016 were approximately HK\$18,840,000, HK\$21,120,000 and HK\$27,178,000 respectively. The historical service fees paid by APL Group reflected the actual level of requirement for the Management Services that were provided by the Management Staff.
- Annual cap and the basis of determining the same : In determining the annual cap, besides taking into account the aforementioned service fees paid and payable by APL Group for each of the three financial years ended on 31st December, 2016, the APL Directors have also taken into consideration the existing scales of APL Group's operations and, for the purpose of determining the annual cap only, the anticipated growth of APL Group, the anticipated increase in the remuneration of those Management Staff who are involved in providing the Management Services to APL Group, and having done so, for each of the three financial years ending on 31st December, 2019, the aggregate annual amount payable by APL Group in respect of the Management Services under the Renewed APL Sharing of Administrative Services and Management Services Agreement is expected not to exceed HK\$40,000,000, HK\$44,500,000 and HK\$49,000,000 respectively and accordingly, the above figures have been adopted as the annual cap for the transaction in respect of the Management Services under the Renewed APL Sharing of Administrative Services and Management Services Agreement in respect of the same period.
- Reasons for and benefits of the transaction : The APL Directors consider that the sharing of Administrative Services and Management Services arrangement will benefit APL Group in that both AGL and APL Group can enjoy economies of scale brought by the sharing of the Administrative Services and Management Services which will maximise cost efficiency and management effectiveness. In addition, since members of the Management Staff will devote part of their time to the affairs of APL Group in the course of performance of the Management Services to APL Group, the APL Directors consider that it is reasonable for APL Group to be charged for the Management Services so as to allocate the costs borne by AGL in this respect.

LISTING RULES IMPLICATIONS

SHK

Following the entering into of the Supplemental SHK Sharing of Management Services Agreement, there is an update on the 2016 SHK Annual Cap as compared to that disclosed in the section titled “Renewed Sharing of Management Services Agreement” in the SHK Previous Announcement. Pursuant to Rule 14A.54 of the Listing Rules, SHK is required to re-comply with Rule 14A.53 of the Listing Rules.

As at the date of this joint announcement, SHK is held as to approximately 56.33% by APL, which in turn is held as to approximately 74.99% by AGL. Given that AGL is an associate of APL (which is a Substantial Shareholder of SHK), AGL is regarded as a connected person of SHK under the Listing Rules. As a result, the entering into of each of the SHK Agreements by SHK constitutes a continuing connected transaction of SHK under the Listing Rules.

As one or more of the relevant applicable percentage ratios (other than the profits ratio) set out in Rule 14.07 of the Listing Rules in respect of the fees payable by SHK Group to AGL for each of the SHK Agreements will, on an annual basis, exceed 0.1% but be less than 5%, the entering into of each of the SHK Agreements by SHK is subject to the reporting, announcement and annual review requirements but exempt from independent shareholders’ approval requirements under the Listing Rules.

SHK will comply with the requirements under Rule 14A.54 of the Listing Rules if (i) the aggregate value of the service fees paid for the Renewed SHK Sharing of Management Services Agreement exceeds the annual caps during the three financial years ending 31st December, 2019; (ii) the Renewed SHK Sharing of Management Services Agreement is further renewed; or (iii) there are material changes to the terms of the Renewed SHK Sharing of Management Services Agreement. SHK will also comply with the requirements under Rules 14A.55 to 14A.59 of the Listing Rules.

The SHK Directors (including the independent non-executive directors) are of the view that the SHK Agreements were entered into after arm’s length negotiations on normal commercial terms and that the terms of the SHK Agreements (including the annual cap) are fair and reasonable so far as SHK and the SHK Shareholders are concerned and are in the interests of the SHK and the SHK Shareholders as a whole.

Mr. Lee Seng Huang (executive director and group executive chairman of SHK) is one of the trustees of Lee and Lee Trust, being a discretionary trust which, together with Mr. Lee Seng Hui, owns approximately 74.49% interest in the total number of shares in issue of AGL which in turn owns approximately 74.99% of the total number of shares in issue of APL. Accordingly, Mr. Lee Seng Huang is deemed to be interested in the SHK Agreements and has abstained from voting on the relevant board resolutions of SHK.

APL

Following the entering into of the Supplemental APL Sharing of Administrative Services and Management Services Agreement and the Supplemental SHK Sharing of Management Services Agreement, there is an update on the 2016 APL Annual Cap as compared to that disclosed in the section titled “Renewed Sharing of Administrative Services and Management Services Agreement” in the APL Previous Announcement. Pursuant to Rule 14A.54 of the Listing Rules, APL is required to re-comply with Rule 14A.53 of the Listing Rules.

As at the date of this joint announcement, APL is held as to approximately 74.99% by AGL, AGL is a connected person of APL under the Listing Rules.

Pursuant to Rules 14A.73(8) and 14A.98 of the Listing Rules, the transaction regarding the sharing of the Administrative Services between the APL and AGL contemplated under each of the APL Agreements is fully exempt under Chapter 14A of the Listing Rules.

As one or more of the relevant applicable percentage ratios (other than the profits ratio) set out in Rule 14.07 of the Listing Rules in respect of the aggregated fees payable by APL Group to AGL for the sharing of Management Services under the SHK Agreements and the APL Agreements will, on an annual basis, exceed 0.1% but be less than 5%, the entering into of the SHK Agreements and the APL Agreements regarding the sharing of Management Services constitutes a continuing connected transaction for APL under Rule 14A.31 of the Listing Rules which is subject to the reporting, announcement and annual review requirements but exempt from independent shareholders’ approval requirements under the Listing Rules.

APL will comply with the requirements under Rule 14A.54 of the Listing Rules if, in relation to the Renewed APL Sharing of Administrative Services and Management Services Agreement on the part of the Management Services or the Renewed SHK Sharing of Management Services Agreement, (i) the aggregate value of service fees paid thereunder exceeds the respective annual cap during the three financial years ending on 31st December, 2019; (ii) are further renewed; or (iii) the terms of which are changed materially. APL will also comply with the requirements under Rules 14A.55 to 14A.59 of the Listing Rules.

The APL Directors (including the independent non-executive directors) are of the view that the terms of the APL Agreements and the SHK Agreements were entered into after arm’s length negotiations and on normal commercial terms and that the terms of the APL Agreements and the SHK Agreements (including the respective annual cap in respect of the Management Services) are fair and reasonable so far as APL and the APL Shareholders are concerned and are in the interests of the APL and the APL Shareholders as a whole.

Mr. Lee Seng Hui (chief executive and executive director of APL) is the chief executive and an executive director of AGL, a member of the Management Staff providing Management Services to APL Group and also one of the trustees of Lee and Lee Trust, being a discretionary trust which together with his personal interest, owns approximately 74.49% interest in the total number of shares in issue of AGL which is directly and indirectly interested in an aggregate of approximately 74.99% of the total number of shares in issue of APL; Mr. Arthur George Dew (chairman and non-executive Director of APL) is the chairman and a non-executive director of AGL and also a member of the Management Staff providing Management Services to APL Group; Messrs. Li Chi Kong (executive director of APL) and Mark Wong Tai Chun (executive

director of APL) are members of the Management Staff providing Management Services to APL Group; all of them are therefore deemed to be interested in the APL Agreements and the SHK Agreements. Accordingly, Messrs. Lee Seng Hui, Arthur George Dew, Li Chi Kong and Mark Wong Tai Chun have abstained from voting on the relevant board resolutions of APL.

INFORMATION ON AGL, APL AND SHK

AGL

AGL is a company incorporated in Hong Kong with limited liability, a Substantial Shareholder of APL and 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, elderly care services, 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, elderly care services, 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 56.33% by APL.

DEFINITIONS

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

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| “2016 APL Annual Cap” | the aggregate annual cap amount payable by APL Group to AGL in respect of the Management Services for the financial year ended 31st December, 2016; |
| “2016 SHK Annual Cap” | the aggregate annual cap amount payable by SHK Group to AGL in respect of the Management Services for the financial year ended 31st December, 2016; |
| “Administrative Services” | the corporate secretarial services, provision of registered office address, utilities services including water, electricity, telephone (including international telephone services) and internet, photocopying, postal, courier, delivery and other services ancillary to the day-to-day administration and operation of APL Group as stipulated in the APL Sharing of Administrative Services and Management Services Agreement and/or the Renewed APL Sharing of Administrative Services and Management Services Agreement; |
| “AGL” | Allied Group Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 373), is a Substantial Shareholder of SHK through its interests in APL; |
| “APL” | Allied Properties (H.K.) Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 56), is a Substantial Shareholder of SHK and a non wholly-owned subsidiary of AGL; |
| “APL Agreements” | the Supplemental APL Sharing of Administrative Services and Management Services Agreement and the Renewed APL Sharing of Administrative Services and Management Services Agreement; |
| “APL Board” | the board of directors of APL; |
| “APL Directors” | the director(s) of APL; |
| “APL Group” | APL and its subsidiaries (but excluding those in SHK Group); |

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| “APL Previous Announcement” | the announcement of APL dated 28th January, 2014 relating to the entering into of the APL Sharing of Administrative Services and Management Services Agreement; |
| “APL Shareholder(s)” | the shareholder(s) of APL; |
| “APL Sharing of Administrative Services and Management Services Agreement” | the agreement dated 28th January, 2014 entered into between APL and AGL in respect of the sharing of Administrative Services and Management Services; |
| “associate(s)” | has the meaning ascribed thereto under the Listing Rules; |
| “connected person(s)” | has the meaning ascribed thereto under the Listing Rules; |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Management Services” | the management, consultancy, business development, business introduction, strategic, internal audit, management information system consultancy and all other general business advice services (as the case may be) provided by the Management Staff to APL Group and/or SHK Group as the context requires, as stipulated in the APL Sharing of Administrative Services and Management Services Agreement, Renewed APL Sharing of Administrative Services and Management Services Agreement, SHK Sharing of Management Services Agreement and/or the Renewed SHK Sharing of Management Services Agreement; |
| “Management Staff” | the senior management and the selected staff of AGL; |
| “Renewed APL Sharing of Administrative Services and Management Services Agreement” | the agreement dated 7th February, 2017 entered into between APL and AGL in respect of the renewal of the APL Sharing of Administrative Services and Management Services Agreement; |
| “Renewed SHK Sharing of Management Services Agreement” | the agreement dated 7th February, 2017 entered into between SHK and AGL in respect of renewal of the SHK Sharing of Management Services Agreement; |

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| “SHK” | Sun Hung Kai & Co. 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: 86) and a non wholly-owned subsidiary of APL; |
| “SHK Agreements” | the Supplemental SHK Sharing of Management Services Agreement and the Renewed SHK Sharing of Management Services Agreement; |
| “SHK Board” | the board of directors of SHK; |
| “SHK Directors” | the director(s) of SHK; |
| “SHK Group” | SHK and its subsidiaries; |
| “SHK Previous Announcement” | the announcement of SHK dated 28th January, 2014 relating to the entering into of the SHK Sharing of Management Services Agreement; |
| “SHK Shareholder(s)” | the shareholder(s) of SHK; |
| “SHK Sharing of Management Services Agreement” | the agreement dated 28th January, 2014 entered into between SHK and AGL in respect of the sharing of Management Services; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Substantial Shareholder(s)” | having the meaning ascribed to it under the Listing Rules; |
| “Supplemental APL Sharing of Administrative Services and Management Services Agreement” | the agreement dated 7th February, 2017 entered into between APL and AGL in respect of the amendments to the terms of the APL Sharing of Administrative Services and Management Services Agreement; |
| “Supplemental SHK Sharing of Management Services Agreement” | the agreement dated 7th February, 2017 entered into between SHK and AGL in respect of the amendments to the terms of the SHK Sharing of Management Services Agreement; and |
| “%” | per cent. |

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, 7th February, 2017

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 (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.