

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
LIMITED PARTNERSHIP AGREEMENT**

As advised and confirmed by SHK, on 26 June 2017, SHK Bullion (an indirect wholly-owned subsidiary of SHK), the General Partner, the Initial Limited Partner and the Other Limited Partner entered into the Limited Partnership Agreement, pursuant to which (i) SHK Bullion has agreed to a maximum Capital Commitment of US\$150,000,000 (equivalent to approximately HK\$1,170,000,000) to the Partnership; (ii) SHK Bullion and the Other Limited Partner agreed to be admitted as Limited Partners of the Partnership; and (iii) the Initial Limited Partner agreed to withdraw from the Partnership as of the date of the Limited Partnership Agreement.

As SHK Bullion is an indirect wholly-owned subsidiary of SHK, which in turn 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 Bullion 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.

THE LIMITED PARTNERSHIP AGREEMENT

As advised and confirmed by SHK, on 26 June 2017, SHK Bullion (an indirect wholly-owned subsidiary of SHK), the General Partner, the Initial Limited Partner and the Other Limited Partner entered into the Limited Partnership Agreement, pursuant to which (i) SHK Bullion has agreed to a maximum Capital Commitment of US\$150,000,000 (equivalent to approximately HK\$1,170,000,000) to the Partnership; (ii) SHK Bullion and the Other Limited Partner agreed to be admitted as Limited Partners of the Partnership; and (iii) the Initial Limited Partner agreed to withdraw from the Partnership as of the date of the Limited Partnership Agreement.

The principal terms of the Limited Partnership Agreement are as follows:

Name of the Partnership:	OBOR Capital Partners Fund LP
Conditions for the admission of SHK Bullion as a Limited Partner:	SHK Bullion shall be admitted as a Limited Partner of the Partnership on the First Closing Date provided that (i) SHK Bullion has entered into the Limited Partnership Agreement and a subscription agreement with the General Partner relating to SHK's Bullion's agreement to subscribe for the interest in the Partnership; and (ii) all documents governing the incorporation, establishment and registration of the Partnership have been delivered to the General Partner.
Term of the Partnership:	The Partnership will continue until the third anniversary of the First Closing Date, unless extended by the General Partner, in its absolute discretion, by a maximum of two consecutive terms of one year each.

Business purpose of the Partnership: To realise capital gains and income (whether fixed, variable or otherwise) through making investments in funds, equity securities and/or debt securities in corporate entities or projects engaged in infrastructure, transportation, logistics, energy, electricity (including manufacturing, generation and transmission thereof), water supply and sewage, telecommunications, electronic and network communications, social infrastructure or any similar sectors in the Asia Pacific region and providing debt financings to such entities with the principal objective of generating capital gains and income

Maximum Capital Commitment of all Limited Partners in the Partnership: US\$800,000,000 (equivalent to approximately HK\$6,240,000,000)

Maximum Capital Commitment by SHK Bullion: US\$150,000,000 (equivalent to approximately HK\$1,170,000,000)

The General Partner shall identify viable investment opportunities within the scope of business purpose of the Partnership during the term of the Partnership and present the investment opportunities to SHK Bullion and other Limited Partners after satisfactory due diligence.

SHK Bullion and other Limited Partners may make the corresponding capital contribution or, alternatively, elect not to participate in the investment opportunities presented by the General Partner. SHK Bullion shall have no obligations and incur no liabilities in respect of any particular investment opportunity if it has resolved not to participate in such investment opportunity.

Management of the Partnership:

The management, control and operation of and the determination of policy with respect to the Partnership and its investment and other activities shall be vested exclusively in the General Partner, which is authorised and empowered on behalf and in the name of the Partnership and in its own name, if necessary or appropriate, to carry out any and all of the purposes of the Partnership and to perform all acts and enter into and perform all contracts and other undertakings that it may in its sole discretion deem necessary, advisable, convenient or incidental thereto.

Management fee:

The Partnership shall pay management fees to the General Partner beginning from the First Closing Date and continuing throughout the last day of the term of the Partnership as follows:

- (a) for the first three years of the term of the Partnership, a fee equal to 0.75% of the capital contribution already made of each Limited Partner; and
- (b) for the fourth and fifth years, a fee of US\$250,000 per annum payable by each Limited Partner in proportion to its capital contribution already made to the Partnership.

Therefore, if the accrued capital contribution made by SHK Bullion to the Partnership is nil, it will not be liable for any of the management fees, organizational expenses, the Partnership's expenses or other fees and expenses incurred by the Partnership.

Transfer of the Partnership interest:

A Limited Partner may not transfer any or all of its limited partnership interest in the Partnership without the written consent of the General Partner.

Distributions:

Subject to the retention of any Distributable Proceeds for reinvestment, the General Partner may distribute proceeds from disposition of any investments made by the Partnership to each Limited Partner pro rata to their capital contribution.

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

INFORMATION ABOUT AGL, APL, SHK, SHK BULLION, THE GENERAL PARTNER, THE INITIAL LIMITED PARTNER, THE OTHER LIMITED PARTNER AND THE PARTNERSHIP

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, 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 consumer finance, mortgage loans, financial services and principal investments.

As at the date of this joint announcement, SHK is beneficially owned as to approximately 56.77% by APL.

SHK Bullion

As advised and confirmed by SHK, SHK Bullion is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of SHK. The principal business activity of SHK Bullion is investment holding.

The General Partner

As advised and confirmed by SHK, the General Partner is a Cayman Islands exempted company incorporated with limited liability. The principal business activities of the General Partner is investment and management of funds.

The Initial Limited Partner

As advised and confirmed by SHK, the Initial Limited Partner is a resident company incorporated in the Cayman Islands with limited liability. The principal business activity of the Initial Limited Partner is provision of nominee company services.

The Other Limited Partner

As advised and confirmed by SHK, the Other Limited Partner is a company incorporated in the British Virgin Islands with limited liability. It is a Chinese asset management company and the principal business activity of which is investment holding.

The Partnership

As advised and confirmed by SHK, the Partnership is an exempted limited partnership established in accordance with the Exempted Limited Partnership Law of the Cayman Islands on 6 June 2017. As the Partnership is a newly established partnership, it does not have any investments, assets or liabilities, and has not recorded any income or expenses.

REASONS FOR AND BENEFITS OF THE TRANSACTION

As advised and confirmed by SHK, the SHK Directors consider that the terms of the Limited Partnership Agreement, including the maximum Capital Commitment of SHK Bullion, were arrived at after arm's length negotiations between SHK Bullion and the General Partner having taken into account (i) the investment objective of the Partnership and (ii) the expected duration of the Partnership. The maximum Capital Commitment may be funded by internal resources of the SHK Group.

For clarity, the Capital Commitment by SHK Bullion merely represents a cap on its maximum aggregate capital contribution to the Partnership and not an obligation to pay that amount under the Limited Partnership Agreement. SHK Bullion has the absolute discretion to participate in all, some or none of the investment opportunities presented by the General Partner. In the event that SHK Bullion opts to participate in none of the investment opportunities, SHK Bullion shall not be required to make any capital contribution to the Partnership throughout the term under the Limited Partnership Agreement and shall not incur any other liability in respect of the Partnership.

The SHK Board considers that the Transaction is in line with the SHK Group's objective to invest in high yield equity and debt products and enables the SHK Group to maximise the long term return of investments of the SHK Group.

In view of the above, the SHK Directors are of the view that the terms of the Limited Partnership 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 Bullion is an indirect wholly-owned subsidiary of SHK, which in turn 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 Bullion 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 shares of which are listed on the main board of the Stock Exchange (Stock Code: 56) and a non wholly-owned subsidiary of AGL;
“APL Board”	the board of APL Directors;
“APL Directors”	directors of APL;

“Capital Commitment”	with respect to each Limited Partner, the commitment of such Limited Partner in the aggregate amounts indicated in the relevant subscription agreement entered into with the General Partner for the subscription of interest in the Partnership, as such amount may be decreased (but not increased) or otherwise adjusted in accordance with the terms of the Limited Partnership Agreement;
“connected persons”	having the meaning ascribed to it under the Listing Rules;
“Distributable Proceeds”	the proceeds of sale from the disposal of all or part of any investment net of the Partnership’s expenses, liabilities and other obligations (whether fixed or contingent) attributable to such investment;
“First Closing Date”	26 June 2017, being the date on which SHK Bullion and the Other Limited Partner are admitted as Limited Partners of the Partnership;
“General Partner”	OBOR GP Inc., being the general partner of the Partnership;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Initial Limited Partner”	Walkers Nominees Limited, a resident company incorporated in the Cayman Islands with limited liability, being the initial limited partner of the Partnership;
“Limited Partner(s)”	limited partner(s) of the Partnership from time to time;
“Limited Partnership Agreement”	The amended and restated limited partnership agreement entered into between the General Partner, the Initial Limited Partner, SHK Bullion and the Other Limited Partner dated 26 June 2017 in relation to, among others, the operation and management of the Partnership;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Other Limited Partner”	a company incorporated in the British Virgin Islands with limited liability, being one of the Limited Partners under the Limited Partnership Agreement;
“Partnership”	OBOR Capital Partners Fund LP, an exempted limited partnership established in accordance with the Exempted Limited Partnership Law of the Cayman Islands;
“percentage ratio(s)”	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction;
“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 an indirect non wholly-owned subsidiary of each of AGL and APL;
“SHK Board”	the board of SHK Directors;
“SHK Bullion”	SHK Bullion Company Limited, a company incorporated in Hong Kong with limited liability, being an indirect wholly-owned subsidiary of SHK and one of the Limited Partners under the Limited Partnership Agreement;
“SHK Directors”	directors of SHK;
“SHK Group”	SHK and its subsidiaries;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the transaction contemplated under the Limited Partnership 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, 27 June 2017

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 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.