

[For Immediate Release]

SHKF attracts up to HK\$2.14 billion in strategic investment from CVC and realises value of Tian An

Hong Kong, 26 April 2010 – Sun Hung Kai Financial (“SHKF”, the “Group”), Hong Kong’s leading non-bank financial institution, has today announced that it will form a strategic alliance with CVC Capital Partners (“CVC”), a global private equity firm with Greater China operations headed by veteran investment banker, Mr. Francis Leung, in a move that will significantly accelerate the growth of the Group’s mainland China franchise.

Founded in 1981, CVC has invested in almost 250 companies worldwide. Under the agreement, a CVC vehicle (the “CVC investor”) shall invest up to HK\$2.14 billion in Sun Hung Kai & Co. Limited (stock code: 86) (the “Company”) through the subscription of mandatory convertible notes (“MCNs”) and the allotment of warrants. The CVC investment is conditional upon completion of the Company’s proposed sale of its holding in Tian An China Investments Company Limited (stock code: 28) (“Tian An”), a mainland China property development and investment company, which was also announced today. Assuming the Tian An sale completes, the sale consideration will be distributed to the Company’s shareholders (the “Distribution”).

Following completion of the Tian An sale, MCNs with a face value of HK\$1.7 billion will be issued by the Company to the CVC investor. The MCN’s actual conversion price is, on an ex-entitlement basis, HK\$5.00 (subject to adjustment). For illustrative purposes, if the MCNs were entitled to the Distribution, assuming a Distribution value of \$2.17 per Company share (please refer to Tian An sale section below) the theoretical conversion price of the MCNs would be HK\$7.17 per Company share, representing approximately an 8.6% premium to the latest closing price of HK\$6.60. Assuming that all the MCNs are converted and all the warrants are exercised, CVC’s investment would total HK\$2.14 billion resulting in an interest of up to 19% of the enlarged issued share capital of the Company.

It is anticipated that the capital raised will be used for the further expansion of SHKF’s consumer finance business United Asia Finance Limited’s (“UAF”) network in mainland China and for general working capital purposes. UAF’s China business, established in 2007, currently operates 20 branches in China with a further 10 branches targeted to open by the end of the year. Mr. Francis Leung, Chairman of CVC in Greater China, will be nominated by CVC as a non-executive director of the Company. If appointed, Mr. Leung could provide invaluable assistance and advice with respect to the ongoing development of SHKF’s institutional sales and corporate finance platforms.

The CVC investment is primarily subject to the approval of the Company’s shareholders at an extraordinary general meeting and the completion of the sale of Tian An.

Mr. Lee Seng Huang, Executive Chairman, Sun Hung Kai Financial, said: “We welcome our new partnership with CVC and Francis Leung. CVC has a long track record of investing in Asia and Francis has extensive relationships and experience to add to the growth of SHKF. We believe this is a move which will create significant momentum for our business and will generate long-term shareholder value.”

Mr. Roy Kuan, Managing Partner of CVC in Asia, added: “We believe the brokerage and consumer finance sectors in Hong Kong and China have extensive growth potential and that SHKF will be a long-term leader in the market. We look forward to working with SHKF’s shareholders, Board and management and helping the Group achieve its long-term goals.”

Sale of Tian An and proposed distribution in specie

As a precursor to the above transaction, the Company entered into a conditional agreement to sell its entire approximate 38.06% interest in Tian An to its parent company, Allied Properties (H.K.) Limited (stock code: 56) (“APL”). The consideration will be satisfied by the issuance of Share Entitlement Notes (SENs) to the Company, which will confer the right to call for the issue of fully paid APL shares. The exchange ratio is approximately 4 APL shares for every 1 Tian An share held by the Company.

It is also proposed that the resultant APL shares will be distributed to shareholders of the Company. The Distribution (as referred to in the CVC section above), will involve distributing 1.309 APL shares for each share of the Company. This proposed Distribution also covers the Company’s 2009 final dividend. Based on APL’s latest closing price, this implies a Distribution value of approximately HK\$2.17 per Company share[#]. As the Tian An sale constitutes a major and connected transaction for the Company, it is therefore subject to approval by the Company’s independent shareholders at an extraordinary general meeting.

The Company’s management believes that its interest in Tian An has historically not been fully reflected in the Company’s share price as a result of the differing nature of its business operations. As such, management believes that this divesture will help shareholders realise the value of the Company’s holding in Tian An and unlock the Company’s intrinsic value for its shareholders.

“The additional capital and expertise from CVC will allow us to strengthen our core financial services business in Hong Kong and mainland China. In addition, the sale of Tian An will make the Company more transparent and simpler to value going forward. As such, we expect that these initiatives will result in significantly improved value for our shareholders, and will further consolidate our position as Hong Kong’s leading non-bank financial institution,” concluded Mr Lee.

[#]This reference price is based on the last closing price of APL at \$1.66, and will change depending on the eventual price of APL shares on the closing date of the proposed transactions. It is provided for illustrative purposes only.

About Sun Hung Kai & Co. Limited and Sun Hung Kai Financial

Sun Hung Kai & Co. Limited (HKEx stock code: 86), which operates as Sun Hung Kai Financial, is the leading non-bank financial institution in Hong Kong. Founded in 1969, the Group offers tailored financial solutions to retail, corporate and institutional clients. The Group's core areas of focus consist of wealth management and brokerage, asset management, corporate finance, consumer finance and principal investments. Operating an extensive branch and office network across 87 locations in Hong Kong, China, Macau and Singapore, the Group currently has over HK\$60 billion* in assets under management, custody and/or advice and more than HK\$12.5 billion* in shareholders' equity. (* Figures as at 31 December 2009)

About CVC Capital Partners and Mr. Francis Leung

CVC Capital Partners is one of the world's largest private equity firms, with approximately US\$45 billion in equity funds. Founded in 1981, CVC has a network of 20 offices and over 220 employees throughout Europe, Asia and the United States. CVC's current portfolio consists of 52 companies, with aggregate sales of Euro 88 billion and over 300,000 employees. Since 1999, CVC has completed 32 investments in the Asia Pacific region. CVC's previous investments in the financial services sector include IG Group, Collins Stewart, Acromas and Fraikin. Mr. Francis Leung is the Chairman of CVC in Greater China. Prior to CVC, Mr. Leung was Chairman of Citigroup Global Markets in Asia. Prior to Citigroup, he was Chief Executive and Vice Chairman of BNP Paribas Peregrine Ltd.

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