

[For Immediate Release]

## **Sun Hung Kai Financial crystallises investment portfolio through its disposal of interest in QHA**

**Hong Kong, 15 May 2008** – Sun Hung Kai & Co. Limited (stock code: 86) (the “Company”, “Group”), operating under the name Sun Hung Kai Financial (“SHKF”), has announced that it has conditionally agreed to dispose of its interest in healthcare subsidiary, Quality HealthCare Asia Limited (“QHA”), as part of a Group strategy to crystallise profits on its principal investments portfolio.

Under the deal, QHA will be sold to a direct wholly-owned subsidiary of Allied Properties Limited (“APL”) at an aggregate consideration of HK\$471 million, or approximately HK\$3.85 per QHA share. The price excludes an additional dividend of HK19.5 cents declared. The consideration represents a premium of approximately 30% over QHA’s recent share price, and will return almost HK\$500 million in proceeds including the dividend. The Group anticipates a final profit of approximately HK\$171 million from the disposal of interest to be applied as working capital across the Group’s core business activities.

The Group initially invested in QHA in 2002, and in 2006, further increased its holdings to 51% as part of its principal investments strategy, which seeks to generate gains by taking interests in undervalued companies which can demonstrate stable and predictable cash flows.

Mr. Lee Seng Huang, Executive Chairman, Sun Hung Kai Financial, said: “This disposal crystallises the profits from a portion of our principal investments portfolio and demonstrates the success of our investment strategy. Since investing in QHA six years ago, we have worked with QHA’s management to rebuild the company’s balance sheet and retool the business platform for growth. It is now an opportune time to exit and book a profit on our investment, and explore new opportunities presented by the recent credit turmoil.”

The transaction constitutes a connected and discloseable transaction on the basis that APL (stock code: 56) is a substantial shareholder of both companies. It is therefore subject to the approval of the independent shareholders of the Company.

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

With its foundation dating back to 1969, Sun Hung Kai & Co. Limited, which operates under the name Sun Hung Kai Financial, is the leading non-bank financial institution in Hong Kong. The Group currently has over HK\$60 billion in assets under management, custody and/or advice, and more than HK\$12 billion of attributable equity. Its core areas of focus include wealth management and brokerage, asset management, corporate finance, consumer finance as well as principal investments. Listed on the HKEx (stock code: 86), the Group is currently capitalised at approximately HK\$13 billion. It employs over 1,500 dedicated financial professionals and has an extensive branch and office network in over 60 locations in Hong Kong, Macau, China and Singapore.

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