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**MINIMUM NEW ISSUE INTEREST RATE OF
THE NEW NOTES IN RELATION TO THE EXCHANGE OFFER
FOR OUTSTANDING U.S.\$350,000,000 6.375%
GUARANTEED NOTES (STOCK CODE: 4567)**

Joint Dealer Managers

UBS

AMTD

J.P. Morgan

Standard Chartered Bank

Reference is made to the announcement by the Company dated 6 May 2016 relating to the commencement of the Exchange Offer.

The Issuer and the Company hereby announce that the minimum new issue interest rate to be paid on the New Notes (the “**Minimum New Issue Interest Rate**”) to be issued pursuant to the Exchange Offer is 4.75% per annum. The Issuer may adjust such interest rate in light of prevailing market conditions, provided that it will not decrease the interest rate to less than the Minimum New Issue Interest Rate. Determination of the final pricing details, including the New Issue Size, the New Issue Price, the New Issue Interest Rate and the Exchange Ratio is expected to take place as soon as reasonably practicable on or following the Pricing Date.

The Exchange Offer was made on the terms and subject to the conditions contained in the Exchange Offer Memorandum, including the offer and distribution restrictions contained therein. This announcement should be read in conjunction with the Exchange Offer Memorandum. Capitalized terms used but not otherwise defined in this announcement shall have the meaning given to them in the Exchange Offer Memorandum.

To participate in the Exchange Offer, an Eligible Holder must validly tender its Existing Notes for exchange prior to the Offer Expiration Date and pursuant to the procedures described in the Exchange Offer Memorandum. As soon as reasonably practicable on or following the Pricing Date, the Issuer and the Company will announce the results of the Exchange Offer, the New Issue Size, the New Issue Price, the New Issue Interest Rate and the Exchange Ratio.

FURTHER DETAILS

For a detailed statement of the terms and conditions of the Exchange Offer, Eligible Holders should refer to the Exchange Offer Memorandum.

The Exchange Offer Memorandum was distributed in electronic format to Eligible Holders on 6 May 2016. Any question or request for assistance concerning any of the terms of the Exchange Offer should be directed to the Joint Dealer Managers (UBS (OL-LM-Asia@ubs.com; +852 2971 2958), AMTD (AMTD-LM@amtd.com.hk; +852 3161 3675), J.P. Morgan (Sunflower_II_Core@jpmorgan.com; +852 2800 7631) or Standard Chartered Bank (liability_management@sc.com; +852 3983 8656/+852 3983 8647)). Any requests for additional copies of the Exchange Offer Memorandum should be directed to the Exchange Agent (Lucid Services Limited (Tel: +44 (0) 20 7704 0880/Email: shkco@lucid-is.com)).

INFORMATION ABOUT THE COMPANY

The Company is 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 the Company is investment holding and the principal business activities of its major subsidiaries are structured finance, consumer finance, mortgage loans and principal investments.

GENERAL

This announcement is not an offer to purchase, a solicitation of an offer to purchase, an offer to sell or a solicitation of an offer to sell, securities in the United States or elsewhere. No securities of the Issuer or any of its subsidiaries are being, or will be, registered under the U.S. Securities Act, or the securities laws of any state of the United States or other jurisdiction and no such securities may be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state or local securities laws. Any public offering of securities to be made in the United States will be made by means of a prospectus, which prospectus will contain detailed information about the Issuer making the offer and its management and financial statements. No public offering of securities is being or will be made in the United States or any other jurisdiction. This announcement is provided to you because you are a person outside of the United States in accordance with Regulation S. Nothing in this communication shall constitute an offer to sell or the solicitation of an offer to buy securities in any jurisdiction in which such offer or sale would be unlawful.

The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes are required to inform themselves about, and to observe, any such restrictions. Forward-looking statements in this announcement, including, among

others, those statements relating to the Exchange Offer are based on current expectations. These statements are not guarantees of future events or results. Future events and results involve risks, uncertainties and assumptions and are difficult to predict with any precision. Actual events and results could vary materially from the description contained herein due to many factors including changes in the market and price of notes, changes in the business and financial condition of the Company and its subsidiaries and changes in the capital markets in general.

No assurance can be given that the Exchange Offer will be completed and the Issuer reserves the right, in its sole and absolute discretion, to extend, re-open, withdraw or terminate the Exchange Offer and amend or waive any of the terms and conditions of the Exchange Offer at any time before such announcement and may, in its sole and absolute discretion, waive any of the conditions to the Exchange Offer either before or after such announcement. As the Exchange Offer may or may not proceed, shareholders, Eligible Holders of the Existing Notes and potential investors should exercise caution when dealing in the securities of the Issuer and the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Additional Notes”	additional notes which the Issuer may, in its sole discretion and for any purpose, issue on the Settlement Date and which, if issued, shall be issued on identical terms as, and from a single series with, the New Notes
“Board”	the board of Directors
“Clearstream”	Clearstream Banking S.A.
“Company”	Sun Hung Kai & Co. Limited, a company incorporated under the laws of Hong Kong
“Directors”	directors of the Company
“Eligible Holders”	eligible holders who are located outside the United States (as those terms are defined in Regulation S under the U.S. Securities Act) and hold the Existing Notes through Euroclear, Clearstream or certain fiduciaries holding accounts for the benefit of persons outside the United States (as those terms are defined in Regulation S under the U.S. Securities Act) and holding the Existing Notes through the relevant clearing system
“Euroclear”	Euroclear Bank SA/NV
“Existing Notes”	U.S.\$350,000,000 in aggregate principal amount of 6.375% notes due 2017 (Common Code: 079833282; ISIN: XS0798332820) issued by the Issuer, guaranteed by the Company and listed on the Stock Exchange

“Exchange Agent”	Lucid Issuer Services Limited
“Exchange Offer”	the offer made by the Company upon the terms and subject to the conditions set forth in the Exchange Offer Memorandum
“Exchange Offer Memorandum”	the exchange offer memorandum, dated 6 May 2016 in relation to the Exchange Offer
“Exchange Offer Price”	U.S.\$1,053.75 per U.S.\$1,000 in principal amount of the Existing Notes
“Exchange Ratio”	the ratio between the Exchange Offer Price and the New Issue Price, rounded to 5 decimal places, which thereby determines the principal amount of New Notes to be received in exchange for the relevant principal amount of Existing Notes accepted for exchange by the Issuer
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issuer”	Sun Hung Kai & Co. (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability, and a wholly-owned subsidiary of the Company
“Joint Dealer Managers”	UBS AG Hong Kong Branch, AMTD Asset Management Limited, J.P. Morgan Securities plc and Standard Chartered Bank
“New Issue Interest Rate”	the interest rate payable on the New Notes expressed as a fixed rate per annum
“New Issue Price”	the price at which New Notes will be issued
“New Issue Size”	the aggregate principal amount of New Notes and Additional Notes (if any) to be issued
“New Notes”	the U.S.\$ denominated guaranteed notes due 2021, to be issued by the Issuer and guaranteed by the Company, to be exchanged in accordance with the Exchange Offer for those Existing Notes that are accepted for exchange by the Issuer
“Offer Expiration Date”	5:00 p.m., CET, 20 May 2016, unless terminated or extended by the Issuer from time to time
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Pricing Date”	on or around 23 May 2016, where the Issuer expects to announce the interest rate of the New Notes

“Regulation S”	Regulation S under the U.S. Securities Act
“Settlement Date”	expected to be on 31 May 2016 (subject to the right of the Issuer to extend, reopen, amend and/or terminate the Exchange Offer)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“U.S.” or “United States”	the United States of America, its territories and possessions and all areas subject to its jurisdiction
“U.S. Securities Act”	United States Securities Act of 1933, as amended
“U.S.\$”	United States dollar, the lawful currency of the United States
“%”	per cent.

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

Hong Kong, 12 May 2016

As at the date of this announcement, the Board comprises: Executive Directors: Messrs. Lee Seng Huang, Simon Chow Wing Charn and Peter Anthony Curry; Non-Executive Director: Mr. Jonathan Andrew Cimino (Mr. Joseph Kamal Iskander as his alternate) and Independent Non-Executive Directors: Mr. David Craig Bartlett, Mr. Alan Stephen Jones, Ms. Jacqueline Alee Leung and Mr. Peter Wong Man Kong