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## **NOTICE ON THE STOCK EXCHANGE OF HONG KONG LIMITED**

### **Sun Hung Kai & Co. (BVI) Limited**

*(incorporated in the British Virgin Islands with limited liability)  
(the “**Issuer**”)*



**新鴻基有限公司**

**SUN HUNG KAI & CO. LIMITED**

*(incorporated in Hong Kong with limited liability)  
(the “**Guarantor**” or “**Company**”)*

**(Stock code: 86)**

### **Tender offer to purchase for cash**

**the U.S.\$361,639,000 4.75 per cent. Guaranteed Notes due 2021  
(Stock Code: 5654, ISIN: XS1418634959, Common Code: 141863495)  
(the “**2021 Notes**”)**

**and**

**the U.S.\$550,000,000 4.65 per cent. Guaranteed Notes due 2022  
(Stock Code: 5267, ISIN: XS1677026350, Common Code: 167702635)  
(the “**2022 Notes**”, together with the 2021 Notes, the “**Notes**”)  
issued by the Issuer and unconditionally and irrevocably guaranteed by  
the Company**

The Issuer hereby announces that the Company has commenced tender offers (each a “**Tender Offer**”, together the “**Tender Offers**”) to purchase for cash the Notes validly tendered by holders of the Notes (“**Noteholders**”) and accepted for purchase, on the terms and conditions set forth in the tender offer memorandum dated 5 November 2019 (the “**Tender Offer Memorandum**”). Capitalised terms used but not defined herein shall have the meanings given to them in the Tender Offer Memorandum.

### **Summary of the Tender Offer**

The Tender Offers have commenced today and will expire at 4:00 p.m. London time on 13 November 2019, unless the period for any Tender Offer is extended or re-opened, amended or terminated (the “**Expiration Deadline**”).

Noteholders who validly tender and whose Notes are accepted for purchase by the Company pursuant to the Tender Offer will receive a cash payment representing (i) a purchase price of U.S.\$1,000 per U.S.\$1,000 in principal amount of Notes validly tendered (the “**Purchase Price**”) and (ii) any accrued and unpaid interest from the immediately preceding interest payment date up to, but excluding, 15 November 2019 (unless such date is extended) (the “**Accrued Interest**”). The Aggregate Purchase Consideration will be payable on 15 November 2019, unless extended (the “**Tender Offer Settlement Date**”).

### **Financing Condition**

The Issuer and the Company has further announced a proposed offering of benchmark U.S. dollar-denominated senior unsecured notes. Subject to market conditions and customary new issuance processes, a Regulation S only offering (the “**New Notes Offering**”) of new senior, unsecured and guaranteed U.S. dollar denominated senior unsecured notes (the “**New Notes**”) under the Issuer’s U.S.\$3,000,000,000 Medium Term Note Programme may be announced. The New Notes, if issued, will be unconditionally and irrevocably guaranteed by the Company.

The settlement of the Tender Offers is subject, without limitation, to the Company being satisfied that it will receive on or before the Tender Offer Settlement Date an amount by way of net proceeds of the New Notes Offering (the “**New Notes Proceeds**”), which will be applied by the Company to finance, in whole, the payment by it of the Aggregate Purchase Consideration (the “**Financing Condition**”).

## **Maximum Acceptance Amount and Acceptance Priority**

The Company proposes to accept Notes for purchase up to a maximum aggregate principal amount (the “**Maximum Acceptance Amount**”), together with accrued interest such that the Aggregate Purchase Consideration does not exceed the New Notes Proceeds on the terms and subject to the conditions contained in the Tender Offer Memorandum.

The Company proposes to accept for purchase Notes up to the Maximum Acceptance Amount and will accept Tender Instructions in accordance with the following acceptance priority (the “**Acceptance Priority**”):

1. *firstly, towards Tender Instructions validly received in respect of any 2021 Notes;*
2. *secondly, towards Tender Instructions validly received in respect of any 2022 Notes,*

**provided that** if the New Notes Proceeds is

- (a) less than the aggregate Tender Consideration that would be payable in respect of all Tender Instructions validly received in respect of 2021 Notes, Tender Instructions in respect of the 2021 Notes validly received will be accepted on a *pro rata* basis as described below (and no Tender Instructions in respect of the 2022 Notes will be accepted);
- (b) equal to the aggregate Tender Consideration that would be payable in respect of all Tender Instructions validly received in respect of 2021 Notes, Tender Instructions will be accepted in full in respect of the 2021 Notes validly received (and no Tender Instructions in respect of the 2022 Notes will be accepted); and
- (c) more than the aggregate Tender Consideration that would be payable in respect of all Tender Instructions validly received in respect of 2021 Notes but less than the aggregate Tender Consideration that would be payable in respect of all Tender Instructions validly received in respect of 2021 Notes and 2022 Notes, all Tender Instructions in respect of the 2021 Notes validly received will be accepted in full, and Tender Instructions in respect of the 2022 Notes validly received will be accepted on a *pro rata* basis as described below,

in each case such that the New Notes Proceeds is not exceeded (see “Proration” below) and subject to the Company’s discretion to accept or reject any Tender Instructions on the terms and subject to the conditions contained in the Tender Offer Memorandum.

## **Proration**

In the event of any proration, the Company will accept tenders of Notes for purchase on a *pro rata* basis such that the Aggregate Purchase Consideration is no greater than the New Notes Proceeds. Such *pro rata* acceptance will be calculated by multiplying the aggregate Tender Consideration of the relevant series validly tendered by a factor (the “**Proration Factor**”) equal to (i) the New Notes Proceeds (in the case of the 2021 Notes) or the balance of the New Notes Proceeds after deducting the Aggregate Purchase Consideration for the 2021 Notes (in the case of the 2022 Notes), as the case may be, divided by (ii) the Tender Consideration of that series validly tendered, subject to rounding and as described in the following paragraph.

In the event of any such proration, the Company will round downward, if necessary, to ensure all purchases of Notes will be in a minimum principal amount of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. However, the Company may elect to accept or reject such tender of Notes in full if application of proration will otherwise result in either (i) the Company accepting Notes from any Noteholders in a principal amount of less than U.S.\$200,000 or (ii) the principal amount of Notes not purchased due to pro rata application being less than U.S.\$200,000. All Notes not accepted as a result of proration will be returned to relevant Noteholders.

## **New Issue Priority**

In the event the New Notes Offering is announced prior to the Expiration Deadline, the Company may (in its sole and absolute discretion) elect to consider among other factors whether the relevant investor seeking an allocation of New Notes has, prior to pricing and allocation of the New Notes (which may be before the Expiration Deadline), validly tendered, Notes pursuant to the Offer, with an intention to give preference to such eligible investors. Any such preference will be subject to the sole and absolute discretion of the Company and be applicable up to the aggregate principal amount of Notes tendered. The minimum denomination of any New Notes will be U.S.\$200,000.

There can be no assurance that any New Notes Offering will be announced prior to the Expiration Deadline (or at all). Therefore, there may not be any New Notes issued by the Issuer and unconditionally and irrevocably guaranteed by the Company for which tendering Noteholders may receive an allocation preference.

Any allocation of any New Notes, while being considered by the Issuer and the Company as set out above, will be made in accordance with customary new issue allocation processes and procedures and Noteholders should contact the Dealer Managers for further information in this regard, including any relevant deadlines.

## **Rationale for the Tender Offers**

The rationale for the Tender Offers is for the Company to proactively manage its liabilities and extend its overall debt profile by refinancing the Notes ahead of their scheduled maturities.

## **Further Details**

The terms of the Tender Offer are more fully described in the Tender Offer Memorandum. For additional information regarding the conditions of the Tender Offer, please refer to the Tender Offer Memorandum.

The Company has appointed Standard Chartered Bank and UBS AG Hong Kong Branch as the Dealer Managers and D.F. King Limited as the Information and Tender Agent with respect to the Tender Offer.

Copies of the Tender Offer Memorandum and its related documents may be found on the website of Tender Offer or may be requested from the Information and Tender Agent at:

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E-mail:	sunhungkai@dfkingltd.com
Website:	<a href="https://sites.dfkingltd.com/sunhungkai/">https://sites.dfkingltd.com/sunhungkai/</a>

Any questions or requests for assistance concerning the Tender Offer may be directed to the Dealer Managers at:

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5 November 2019

*As at the date of this announcement, the directors of the Issuer are Mr. Simon Chow Wing Charn and Mr. Robert James Quinlivan. The executive directors of the Guarantor are Mr. Lee Seng Huang and Mr. Simon Chow Wing Charn; the non-executive directors of the Guarantor are Mr. Peter Anthony Curry and Mr. Jonathan Andrew Cimino; and the independent non-executive directors of the Guarantor are Mr. Evan Au Yang Chi Chun, Mr. David Craig Bartlett, Mr. Alan Stephen Jones and Ms. Jacqueline Alea Leung.*