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## **ALLIED GROUP LIMITED**

**( 聯合集團有限公司 )**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 373)**

### **DISCLOSEABLE TRANSACTION SUBSCRIPTION AGREEMENT**

#### **THE SUBSCRIPTION AGREEMENT**

As advised and confirmed by SHK, on 2nd December, 2015, SHKSC, an indirect wholly-owned subsidiary of SHK, entered into a Subscription Agreement with ABG Capital and the SPV, pursuant to which SHKSC has agreed to subscribe for the Participating Shares at the Subscription Amount of up to US\$50,000,000.

As advised and confirmed by SHK, the purpose of subscribing the Participating Shares in the SPV for SHKSC is to indirectly invest in the equity interests in Wuxi PharmaTech, a leading open-access research and development capability and technology platform company serving the pharmaceutical, biotechnology and medical device industries, with operations in the PRC and the United States of America, in connection with the Proposed Merger. Following the subscription of the Participating Shares, SHKSC will hold 100% of the Participating Shares of the SPV and will indirectly hold a 1.56% interest in Wuxi PharmaTech, and an affiliate of ABG Capital will hold one ordinary share of the SPV, which represents 100% of the issued share with voting right in the general meeting of the SPV.

#### **LISTING RULES IMPLICATIONS**

As (i) SHKSC is an indirect wholly-owned subsidiary of SHK, (ii) SHK in turn is an indirect non wholly-owned subsidiary of APL; and (iii) APL in turn is a non wholly-owned subsidiary of the Company, the entering into of the Subscription Agreement shall be a transaction of each of the Company, APL and SHK under Chapter 14 of 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 for the Company under Chapter 14 of the Listing Rules on the basis that the relevant percentage ratio(s) of the Company exceeds 5% but is below 25%.

As advised and confirmed by APL and SHK, the Transaction does not constitute a notifiable transaction under Chapter 14 of the Listing Rules for each of APL and SHK on the basis that none of the applicable percentage ratio exceeds 5%.

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As advised and confirmed by SHK, which has made all reasonable enquiries and based on the confirmations of ABG Capital and the SPV, and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as the fact that SHKSC is a limited partner of certain funds managed by ABG Capital, ABG Capital, the SPV and their respective ultimate beneficial owners are Independent Third Parties.

### **Subscription Amount**

As advised and confirmed by SHK, pursuant to the Subscription Agreement, SHKSC has agreed to pay the Subscription Amount of US\$50,000,000 to the SPV for the Participating Shares in immediately available funds within two (2) business days after receiving notice from the SPV that the SPV is reasonably satisfied that all conditions precedent to the closing of the Proposed Merger are, or will be within ten (10) business days, satisfied or, if permissible, waived pursuant to the Merger Agreement.

As advised and confirmed by SHK, the Subscription Amount is determined after arm's length negotiation between SHKSC, ABG Capital and the SPV, and with reference to the total consideration for the acquisition of the interest in Wuxi PharmaTech and the effective interest held by SHKSC in the Proposed Investment.

As advised and confirmed by SHK, if there is any income received by the SPV in respect of the Proposed Investment, whether from disposal of any assets in the Proposed Investment or otherwise, the net proceeds of such income after deducting the necessary reserves to meet the expenses and obligations of the SPV shall be distributed to SHKSC at a sum equivalent to the Contributed Amount plus an 8% annualized effective internal rate of return on the Contributed Amount. The remaining of the net proceeds shall then be distributed to SHKSC and ABG Capital in accordance to the terms in the Subscription Agreement.

### **Conditions Precedent**

As advised and confirmed by SHK, pursuant to the Subscription Agreement, the allotment and issue of the Participating Shares by the SPV to SHKSC is subject to the following conditions:

- (1) the payment by SHKSC of the Subscription Amount;
- (2) the closing of the Proposed Merger; and
- (3) SHKSC having signed the form of application in respect of the Participating Shares and any other documents as may be necessary to enable the issue and allotment of the Participating Shares.

If the closing of the Proposed Merger does not occur on or before 31st December, 2015, the SPV shall provide, and ABG Capital must procure the SPV to provide, a refund of the Subscription Amount to SHKSC as soon as possible.

### **REASONS FOR AND BENEFITS OF THE TRANSACTION**

As advised and confirmed by SHK, the SHK Exco considers that the Proposed Investment is a sound investment opportunity for SHK given the rapid development in the pharmaceutical market and the business nature and satisfactory financial performance of Wuxi PharmaTech. The SHK Exco is of the view that the terms and conditions of the Subscription Agreement are on normal commercial terms and the Transaction is fair and reasonable, and in the interests of SHK and its shareholders as a whole.

Based on the information and the confirmation provided by SHK and to the best knowledge, information and belief of the Directors, the Directors consider that the Transaction is fair and reasonable and in the interests of the Company and its shareholders as a whole.

### **LISTING RULES IMPLICATIONS**

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As advised and confirmed by APL and SHK, the Transaction does not constitute a notifiable transaction under Chapter 14 of the Listing Rules for each of APL and SHK on the basis that none of the applicable percentage ratio exceeds 5%.

## **INFORMATION ABOUT THE COMPANY, SHKSC, THE SPV AND ABG CAPITAL**

### **The Company**

The Company is a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange.

The principal business activity of the Company is investment holding. The principal business activities of its major subsidiaries are property investment and development, hospitality related activities, the provision of finance and investments in listed and unlisted securities.

### **SHKSC**

As advised and confirmed by SHK, SHKSC is a company incorporated in Hong Kong with limited liability. The principal business activity of SHKSC is investment holding and securities trading.

As at the date of this announcement, SHKSC is an indirect wholly-owned subsidiary of SHK, which is beneficially owned as to approximately 55.31% by APL, which in turn is beneficially owned as to approximately 74.91% by the Company.

### **SPV**

As advised and confirmed by SHK, the SPV is a company incorporated in the British Virgin Islands with limited liability and the principal business activity of the SPV is investment holding.

As at the date of this announcement, the entire share capital of the SPV is wholly-owned by an affiliate of ABG Capital.

### **ABG Capital**

As advised and confirmed by SHK, ABG Capital is an exempted limited partnership formed under the laws of the Cayman Islands and its principal business activity is to carry out business of partnerships.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“ABG Capital”	ABG Capital Partners II GP, L.P., an exempted limited partnership formed under the laws of the Cayman Islands with its principal business activity of carrying out business of partnerships;
“APL”	Allied Properties (H.K.) 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: 56 and Warrant Code: 1183) and a non wholly-owned subsidiary of the Company;
“Board”	the board of Directors;
“Company”	Allied Group Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 373);
“Contributed Amount”	the Subscription Amount and any expenses to be paid by SHKSC pursuant to the Subscription Agreement;
“Directors”	the directors of the Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	persons who themselves (and in the case of any corporate entities, their ultimate beneficial owners) are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, third parties independent of, and not connected with, the Company, APL and SHK, and their respective connected persons (as defined in the Listing Rules);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Merger Agreement”	the agreement and plan of merger dated 14th August, 2015, as amended on 20th October, 2015 and as further amended on 20th November, 2015, entered into between, among others, Wuxi PharmaTech and the ParentCo in relation to the Proposed Merger;

“ParentCo”	the 100% holding company of Wuxi PharmaTech after the completion of the Proposed Merger;
“Participating Shares”	such number of non-voting, non-redeemable participating shares in the capital of the SPV of US\$1 each;
“PRC”	the People’s Republic of China;
“Proposed Investment”	the proposed investment by ABG Capital in Wuxi PharmaTech;
“Proposed Merger”	the proposed merger pursuant to the Merger Agreement and following the completion of which, Wuxi PharmaTech will become a wholly-owned subsidiary of the ParentCo;
“SHK”	Sun Hung Kai & Co. 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: 86) and an indirect non wholly-owned subsidiary of each of the Company and APL;
“SHK Exco”	the executive committee of and with powers delegated from the board of directors of SHK;
“SHKSC”	Sun Hung Kai Strategic Capital Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of SHK;
“SPV”	ABG-WX SHK Limited, a company incorporated in the British Virgin Islands with limited liability;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Agreement”	a subscription agreement entered into between SHKSC, ABG Capital and the SPV in relation to the subscription of the Participating Shares;
“Subscription Amount”	the amount for the subscription of the Participating Shares pursuant to the Subscription Agreement;
“Transaction”	the transactions contemplated under the Subscription Agreement;
“US\$”	United States dollars, the lawful currency of the United States of America;

“Wuxi PharmaTech”

Wuxi PharmaTech (Cayman) Inc., a company incorporated under the laws of the Cayman Islands and listed on the New York Stock Exchange; and

“%”

per cent.

On behalf of the Board  
**Allied Group Limited**  
**Edwin Lo King Yau**  
*Executive Director*

Hong Kong, 2nd December, 2015

*As at the date of this announcement, the 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.*