

[For Immediate Release]

Sun Hung Kai Financial eyes global financial sector with launch of recovery fund

Hong Kong, 16 January 2009 – Sun Hung Kai Financial (“SHKF” or the “Group”), Hong Kong’s leading non-bank financial institution, is seeking to identify investment opportunities within a select group of distressed global financial companies with the launch of a recovery fund, a restricted investment scheme open only to professional investors.

Equities globally touched significant lows during a volatile 2008. Financial institutions were among the hardest hit, presenting an attractive backdrop for a long-term “recovery-themed” investment strategy. During the coming year, SHK Fund Management Limited (“SHKFM”), the Group’s asset management business, anticipates long-term investment opportunities in both public and private companies in the financial sector - specifically undercapitalised banks and financial institutions - focusing on public equity securities; secondary offerings by public companies; private capital raises by public companies and the recapitalisation of failed institutions.

According to recent company filings, investors poured approximately US\$60 billion into leading financial institutions globally during the second half of 2008. However, during this time, the value of these investments fell by an average of around 25%. But with markets stabilising moderately towards the end of 2008 and investor confidence showing signs of a resurgence as bargain hunters return to the table, Mr. Rizal Wijono, Managing Director, SHKFM, believes now is the time to look at selected investments in the distressed financial sector.

“Stock selection and timing are absolutely critical when it comes to picking the right financial companies to realise returns for investors. The vast majority of these capital injections to date have been too early, particularly with many global financial firms still facing significant writedowns and credit losses, dilutive capital raises and declining corporate earnings. However, there are some golden opportunities in this sector, and we believe that a prudent, long-term investment strategy, if effectively executed, will generate strong returns for investors over the coming years,” said Mr. Wijono.

He added that investors should select investment professionals who rely on a strong and independent bottom up research process, and those with a demonstrated ability to preserve capital and profit from challenging market conditions.

continued...

The fund launch builds SHKFM's strong relationship with globally awarded Paulson & Co. Inc. ("Paulson"), which will act as the fund's Investment Manager. Paulson, which specialises in merger arbitrage, event-driven and distressed investing, has acted as Investment Manager of a SHKFM corporate arbitrage manager fund since April 2004. The firm has demonstrated a 14-year track record of consistent performance, and their investment strategies focus on capital preservation, above average returns and low volatility compared with the broader markets. Paulson has received numerous industry awards, including Institutional Investor's "Hedge Fund Leader of the Year" award at the publication's 6th Annual Hedge Fund Industry Awards. Paulson also received three awards from Absolute Return Magazine in 2007 and 2008, including "Management Firm of the Year" for consecutive years. Paulson has approximately US\$29 billion in assets under management (as at 1 January, 2009) with offices in New York, London and Hong Kong.

-- ENDS --

About SHK Fund Management Limited

SHK Fund Management Limited ("SHKFM") is a specialist in alternative investments and a member company of Sun Hung Kai Financial. SHKFM aims to be a gateway for professional investors looking to capture the growth in Asia through a range of hedge and private equity funds. Its range of funds is managed by top-tiered portfolio managers and their team of seasoned staff. SHKFM also partners with best-of-breed managers in providing Asian-based institutions access to SHK-branded global hedge funds. SHKFM is a licensed corporation for Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance. For more information, please visit www.shkfunds.com.

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 more than HK\$50 billion in assets under management, custody and/or advice, and approximately HK\$11 billion of shareholders' 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 has an extensive branch and office network in over 60 locations in Hong Kong, Macau, China and Singapore.

For enquiries:

SHK Fund Management Limited

Derek Wong +(852) 3667 8323 derek.wong@shkf.com

Sun Hung Kai Financial

James Murphy +(852) 3920 2510 james.murphy@shkf.com

Peony Cheng +(852) 3920 2513 peony.cheng@shkf.com

Disclaimer: "Unless otherwise specified, any fund referred to herein is not authorized by the Securities and Futures Commission. The content of this document (the "Information") is confidential and provided strictly for information purposes for the addressee only. The contents of this document have not been reviewed by any regulatory authority in Hong Kong. All addressees must satisfy the definition of "professional investor" as contained in Schedule 1 of the Securities and Futures Ordinance and/or be non-Hong Kong residents (subject always to applicable regulatory requirements). The Fund may not be offered or sold within the United States ("U.S.") or to, or for the account or benefit of, U.S. residents, citizens or nationals. Nothing in the Information constitutes an offer to buy or sell or an invitation or solicitation of an offer to buy or sell any collective investment scheme or other securities in any territory or jurisdiction where such is prohibited. Any such offer, invitation or solicitation may only be made by means of delivery of an offering memorandum. Any collective investment scheme investors must meet the suitability requirements set forth in the Fund's offering memorandum and the subscription agreement. Under no circumstances may this be copied, distributed and / or circulated to third parties without the written consent of SHKFM. If you are not the intended recipient or otherwise have received this document by mistake please notify SHKFM immediately. While the Information has been prepared in good faith, data, opinions or estimates referred to herein should be independently verified before being used, and may be subject to change without notice. To the extent permitted by law, SHKFM and its officers, consultants and employees shall have no liability in any way arising herefrom for any losses or damages, directly or indirectly, arising from the use of or reliance upon the Information."