



Sun Hung Kai Properties Limited

(incorporated in Hong Kong with limited liability)

(Stock Code: 16)

ANNOUNCEMENT

The Board refers to various recent press reports mentioning (among other things) that the Company is planning to launch a real estate investment trust.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “Board”) of Sun Hung Kai Properties Limited (the “Company” together with its subsidiaries, the “Group”) refers to various recent press reports mentioning (among other things) that the Company was planning to launch a real estate investment trust.

The Board wishes to announce that the Company is finalizing the possibility of selling certain property interest of the Group in the office, industrial/office and industrial sectors to a unit trust proposed to be established. In this relation, application for the authorization of the unit trust (“Application”) as a real estate investment trust (“REIT”) with units to be listed in Hong Kong has been made to the Securities and Futures Commission (“SFC”). As at today, no approval for authorization of the REIT has been given.

The Board wishes to remind shareholders that there is no guarantee the contents of the Application meet the requirements of the Code on Real Estate Investment Trusts. In addition, the proceeding of the Application to listing of REIT units on the Stock Exchange of Hong Kong Limited (“Stock Exchange”) would depend on a number of factors, including regulatory requirements, commercial considerations and market factors. As at today, no application has been made to the Stock Exchange for the listing of REIT’s units.

Shareholders of the Company and other investors should note that the proposals relating to the real estate investment trust and the listing of its units as described above may or may not proceed. Shareholders of the Company and other investors should exercise caution when dealing in the securities of the Company.

Further announcements will be made if and when appropriate.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

By Order of the Board
SUN HUNG KAI PROPERTIES LIMITED
LAI Ho-kai, Ernest
Company Secretary

Hong Kong, 9 May 2006

As at the date of this announcement, the Board comprises of eight Executive Directors, being KWOK Ping-sheung, Walter, KWOK Ping-kwong, Thomas, KWOK Ping-luen, Raymond, CHAN Kai-ming, CHAN Kui-yuen, Thomas, KWONG Chun, WONG Yick-kam, Michael and WONG Chik-wing, Mike; six Non-Executive Directors, being LEE Shau-kee, WOO Po-shing, LI Ka-cheung, Eric, KWAN Cheuk-yin, William, LO Chiu-chun, Clement and LAW King-wan; and four Independent Non-Executive Directors, being CHUNG Sze-yuen, FUNG Kwok-king, Victor, YIP Dicky Peter and WONG Yue-chim, Richard.

Please also refer to the published version of this announcement in South China Morning Post.