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Sun Hung Kai Properties Limited

(incorporated in Hong Kong with limited liability)

(Stock Code: 16)

Placing of existing shares and subscription for new shares Completion of the bookbuilding

SOLE BOOKRUNNER



CITIGROUP GLOBAL MARKETS ASIA LIMITED

The Company has noted reports in the newspapers regarding the Placing.

Bookbuilding of the placing has now been completed and the Placing Shares have been allocated to the placees. Completion of the Placing is scheduled to take place on Friday 12 May, 2006.

The final number of Shares placed by Citigroup was 89,000,000 and the price at which the Shares were sold by Citigroup to the placees pursuant to the Placing was HK\$88.30 per Share. The difference between that price and the underwritten price of HK\$89.00 per Share is being made up by Citigroup, so that the estimated proceeds of the Placing to be received by the Vendor and the estimated amount to be subscribed for the Subscription Shares (before taking into account the interest income to be earned on the proceeds of the Placing) remains unchanged. The gross proceeds of the Placing will remain to be HK\$7,921 million. After deducting estimated total expenses of approximately HK\$88 million and without taking into account the interest income to be earned on the proceeds of the Placing, the estimated Subscription Price remains to be approximately HK\$88.01 per Share and estimated total subscription monies remains to be approximately HK\$7,833 million.

The Company has noted reports in the newspapers regarding the Placing.

On 9 May, 2006, the Company announced that the Vendor, the Company and Citigroup entered into the Agreement under which (a) Citigroup agreed to place, on a fully-underwritten basis, the Placing Shares held by the Vendor to independent placees at an underwritten Placing Price of HK\$89.00 per Share; and (b) the Vendor to apply the net proceeds of the Placing in the subscription of such number of new Shares equal to the number of Shares actually sold under the Placing, and the Company agreed to allot and issue such new Shares to the Vendor.

Bookbuilding of the placing has now been completed and the Placing Shares have been allocated to the placees. Completion of the Placing is scheduled to take place on Friday 12 May, 2006.

The final number of Shares placed by Citigroup was 89,000,000 and the price at which the Shares were sold by Citigroup to the placees pursuant to the Placing was HK\$88.30 per Share. The difference between that price and the underwritten price of HK\$89.00 per Share is being made up by Citigroup, so that the estimated proceeds of the Placing to be received by the Vendor and the estimated amount to be subscribed for the Subscription Shares (before taking into account the interest income to be earned on the proceeds of the Placing) remains unchanged. The gross proceeds of the Placing will remain to be HK\$7,921 million. After deducting estimated total expenses of approximately HK\$88 million and without taking into account the interest income to be earned on the proceeds of the Placing, the estimated Subscription Price remains to be approximately HK\$88.01 per Share and estimated total subscription monies remains to be approximately HK\$7,833 million.

Words and phrases defined in the announcement issued by the Company in relation to the Placing and the Subscription dated 9 May, 2006 have the same meanings when used in this announcement.

By Order of the Board
LAI Ho-kai, Ernest
Company Secretary

Hong Kong, 10 May, 2006

As at the date of this announcement, the board comprises 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.