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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 Placing

SOLE BOOKRUNNER



CITIGROUP GLOBAL MARKETS ASIA LIMITED

The Placing of 89,000,000 shares by the Vendor announced on 9 May, 2006 was completed today and the net proceeds of the Placing, amounting to approximately HK\$7,833 million was paid to the Vendor.

Application has been made to the Stock Exchange for the listing of and permission to deal in the Subscription Shares on the Stock Exchange and to the Executive Director of the Corporate Finance Division of the SFC for a waiver from the obligation to make a general offer under Rule 26 of the Takeovers Code consequent on its acquisition of the Subscription Shares. Subject to the grant of listing of and permission to deal in the Subscription Shares on the Stock Exchange and the grant of such waiver of the obligation to make a general offer being received, completion of the Subscription is expected to take place on or before 23 May, 2006.

The net proceeds to be received by the Company upon the Subscription being completed is expected to be approximately HK\$7,833 million plus the amount of interest income to be earned on the net proceeds of the Placing during the period from completion of the Placing up to completion of the Subscription.

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The Placing Shares were placed by Citigroup to not less than six placees which are independent professional, institutional or other investors, and who (and whose ultimate beneficial owners) are (i) independent of and not connected and not acting in concert with the Vendor or any person acting in concert with it (as defined in the Takeovers Code) and (ii) third parties independent of and not acting in concert with the Company and its connected persons (as defined in the Listing Rules).

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The net proceeds to be received by the Company upon the Subscription being completed is expected to be approximately HK\$7,833 million plus the amount of interest income to be earned on the net proceeds of the Placing during the period from completion of the Placing up to completion of the Subscription.

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, 12 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.

All the directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement misleading.

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