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Sun Hung Kai Properties Limited

(incorporated in Hong Kong with limited liability)

(Stock Code: 16)

ANNOUNCEMENT

POSTPONEMENT OF PROPOSED DISPOSAL OF PROPERTIES AND PROPOSED LISTING OF SUN MILLENNIUM REAL ESTATE INVESTMENT TRUST ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Reference is made to the announcement of the Company dated 23 May 2006 relating to, amongst other things, the Proposed Transactions. Unless otherwise defined, terms used in the announcement of the Company dated 23 May 2006 are adopted in this announcement.

The Board wishes to announce that, due to current market conditions, the Proposed Transactions will be postponed until further notice. Accordingly, the date of 7 June 2006 will no longer be used as the record date for ascertaining the Assured Entitlements of Qualifying Shareholders under the Preferential Offering of units in Sun Millennium Real Estate Investment Trust.

Shareholders and other investors should note that the Proposed Transactions, the Offering and the Listing are dependent on a number of factors and subject to a number of conditions, which may or may not be satisfied. The Board has not made a final decision whether or not to proceed, and if so when to proceed, with the Proposed Transactions. If the Offering and the Listing do not proceed for any reason, the Preferential Offering will not be made and in such case no Qualifying Shareholders would be able to subscribe for any Reserved Units thereunder. Therefore, Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.

Further announcement(s) will be made by the Company in relation to the Proposed Transactions if and when appropriate.

By Order of the Board
Sun Hung Kai Properties Limited
LAI Ho-kai, Ernest
Company Secretary

Hong Kong, 16 June 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.