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SHK EMPLOYEE OWNERSHIP SCHEME

The Board has adopted the Scheme in which the Selected Grantees will be entitled to participate. Pursuant to the Scheme, Shares will be acquired by the independent Trustee at the cost of the Company and be held in trust for the Selected Grantees until the end of each vesting period. The number of Shares to be awarded under the Scheme throughout its duration is limited to five per cent. of the issued share capital of the Company as at the Adoption Date.

The Board has adopted the Scheme on the Adoption Date. A summary of the Scheme Rules is set out below:

Purposes and Objectives

To recognize the contributions by Selected Grantees and to provide them with long term incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

Administration

The Scheme shall be subject to the administration of the Committee or the Trustee (if the Trustee is appointed by the Company) in accordance with the rules of the Scheme and the terms of the Trust Deed (in case where the Trustee is appointed).

Duration

The Scheme shall be valid and effective for an initial term of five years commencing on the Adoption Date and automatically extended for another three subsequent terms of five years each unless otherwise terminated pursuant to the terms of the Scheme.

Maximum Limit

The Committee shall not make any award of Awarded Shares which will result in the aggregate number of Shares awarded by the Committee under the Scheme exceeding five per cent. of the issued share capital of the Company as at the Adoption Date (i.e. 83,989,452 Shares). The maximum number of Shares which may be awarded to a Selected Grantee under the Scheme shall not exceed one per cent. of the issued share capital of the Company as at the Adoption Date (i.e. 16,797,890 Shares).

Restrictions

No Award shall be made by the Committee and no instructions to acquire Shares shall be given by the Committee or the Trustee under the Scheme where any director of the Group is in possession of unpublished price-sensitive information in relation to the Company, where dealings by directors of the Group or Employees are prohibited under the Company's staff trading policy, any code or requirement of the Listing Rules and all applicable laws from time to time, or where any instruction would result in the Committee exceeding any Board-authorized acquisition limit.

Operation of the Scheme

Pursuant to the Scheme, the Committee shall select the Selected Grantee(s) and determine the number of Shares to be awarded.

Where any award of Shares is proposed to be made to any Selected Grantee who is a Director or a member of the remuneration committee of the Board, such person shall abstain from voting on any approval by the Board or the remuneration committee of the Board (if applicable) of an award of Shares to such Selected Grantee, if applicable. Where any award of Shares is proposed to be made to any Selected Grantee who is a member of the Committee, such person shall abstain from voting on any approval by the Committee of an award of Shares to such Selected Grantee, if applicable.

The Committee shall, in respect of each Selected Grantee, cause to be paid the Reference Amount from the Company's resources into the Account or to the Trustee to be held on trust for the relevant Selected Grantee for the purchase of the Awarded Shares as soon as practicable after the Reference Date.

The Committee (or the Trustee if appointed by the Company) shall, within twenty (20) business days of receiving the Reference Amount, apply the Reference Amount towards the acquisition of Awarded Shares at such price within the specified range on the Stock Exchange at the discretion (or direction) of the Committee.

When the Selected Grantee has satisfied all vesting conditions specified by the Committee at the time of making the Award and become entitled to the Shares forming the subject of the Award, the Trustee shall transfer the relevant vested Shares to that Selected Grantee at no cost, save as otherwise outlined in the Scheme Rules.

Vesting and Lapse

Awarded Shares and the related income derived therefrom after settlement of all reasonable fees, costs and expenses incurred by the Trustee in the administration of the Trust are subject to a vesting scale to be determined by the Committee at the date of grant of the Award. Vesting of the Shares will be conditional on the Selected Grantee remaining an Employee or a director of the Group until and on each of the relevant Vesting Dates and his/her execution of the relevant documents to effect the transfer from the Trustee.

An Award shall automatically lapse when a Selected Grantee ceases to be an Employee or a director of the Group, or an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company), save that in the case when a Selected Grantee dies, or retires at his/her normal retirement date or earlier by agreement prior to a Vesting Date, all the Awarded Shares and the related income after settlement of all reasonable fees, costs and expenses incurred by the Trustee in the administration of the Trust shall be deemed to be vested on the day immediately prior to his/her death or retirement. If the Award would otherwise become bona vacantia, the relevant Reference Amount so paid or Awarded Shares so acquired shall either be reallocated to other Selected Grantees or be sold on the Stock Exchange at such price within a specific price range as determined by the Committee such that the sale proceeds thereof may be applied in settlement of all reasonable fees, costs and expenses incurred by the Trustee in the administration of the Trust or returned to the Company at the discretion of the Committee. In such case where the Awarded Shares are sold, the relevant Unvested Shares shall not be counted for the purpose of the Scheme Limit.

In the event that prior to or on the Vesting Date, a Selected Grantee is found to be an Excluded Person, the relevant part of the Award made to such Selected Grantee shall automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date and the relevant Reference Amount so paid by the Company or the Awarded Shares so acquired shall either be reallocated to other Selected Grantees or be sold on the Stock Exchange at such price within a specified price range as determined by the Committee such that the sale proceeds thereof may be applied in settlement of all reasonable fees, costs and expenses incurred by the Trustee in the administration of the Trust or returned to the Company at the discretion of the Committee. In such case, where the Awarded Shares are sold, the relevant Unvested Shares shall not be counted for the purpose of the Scheme Limit.

If there occurs an event of change in control (as specified in The Hong Kong Codes on Takeovers and Mergers and Share Repurchases from time to time) of the Company, whether by way of offer, merger, scheme of arrangement or otherwise, all the Awarded Shares shall immediately vest on the date when such change in control event becomes or is declared unconditional and such date shall be deemed the Vesting Date.

Voting Rights

The Committee (or Trustee if appointed by the Company) shall not exercise the voting rights in respect of any Shares held by it as nominee or under the Trust (including but not limited to the Awarded Shares, Unaccepted Shares, Unvested Shares and any bonus Shares and scrip Shares derived therefrom).

Termination

The Scheme shall terminate on the earlier of the 20th anniversary date of the Adoption Date or such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of the Selected Grantees.

Upon all the Awarded Shares of the Selected Grantees granted under the Scheme having been vested, all Unaccepted Shares and Unvested Shares remaining in the Trust Fund shall be sold on the Stock Exchange at such price within a specified range as determined by the Committee and the sale proceeds thereof, the Residual Cash for the Selected Grantees and such other funds remaining in the Account or the trust fund managed by the Trustee shall be applied first in settlement of all reasonable fees, costs and expenses incurred by the Trustee in the administration of the Trust and if there shall be any balance thereof, be returned to the Company or otherwise held as part of the Trust Fund at the discretion of the Committee.

Definitions

“Account”	the bank account opened and operated solely for the purposes of operating the Scheme and the funds thereof to be held on trust for the Selected Grantees
“Adoption Date”	18 December 2007, being the date on which the Board adopted the Scheme
“Award”	an award of Shares by the Committee pursuant to the Scheme to a Selected Grantee
“Awarded Amount”	in respect of a Selected Grantee, the closing price of the Shares as quoted on the Stock Exchange as at the Reference Date multiplied by the number of the Awarded Shares comprised in the Award
“Awarded Shares”	in respect of a Selected Grantee, such number of Shares determined by the Committee and acquired out of cash paid by the Company by way of settlement to the Committee or the Trustee pursuant to the Scheme
“Board”	the board of directors of the Company
“Committee”	a committee comprising senior management of the Company which shall include the Executive Chairman, an Executive Director, the Chief Financial Officer and the Head of Human Resources of the Company, delegated with the power and authority by the Board (a committee of the Board) for the time being to administer the Scheme; as at the date of this announcement, the Committee comprises Mr. Lee Seng Huang, Mr. Joseph Tong Tang, Mr. Patrick Poon Mo Yiu and Ms. Eva Tong Ying
“Company”	Sun Hung Kai & Co. Limited, a company incorporated in Hong Kong with limited liability, the securities of which are listed on the Stock Exchange
“Directors”	directors of the Company
“Employees”	any full time employees (excluding any Excluded Person) of any member of the Group

“Excluded Person”	any Employee or director of the Group who is resident in a place where the award of the Awarded Shares and/or the vesting and transfer of the Awarded Shares pursuant to the terms of the Scheme is not permitted under the laws and regulations of such place or where in the view of the Board or the Committee or the Trustee (as the case may be), is not in compliance with applicable laws and regulations in such place which makes it necessary or expedient to exclude such Employee or director of the Group
“Group”	the Company and its Subsidiaries from time to time
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Reference Amount”	the sum of the Awarded Amount and the related purchase expenses (including for the time being, the brokerage fee, stamp duty, SFC transaction levy, Stock Exchange trading fee) and such other necessary expenses required for the completion of the acquisition of all the Awarded Shares
“Reference Date”	in respect of a Selected Grantee, the date of final approval by the Committee of the total number of Shares to be awarded to the relevant Selected Grantee on a single occasion pursuant to the Scheme
“Residual Cash”	in respect of a Selected Grantee, being cash remaining in the Account or any trust fund set up by the Trustee in respect of his Award (including interest income derived from deposits maintained with licensed banks in Hong Kong) which has not been applied in the acquisition of his Awarded Shares
“Scheme”	the “SHK Employee Ownership Scheme” constituted by the rules of the scheme, in its present form or as amended from time to time in accordance with the provisions thereof
“Scheme Limit”	the maximum percentages of the issued share capital of the Company that may be awarded pursuant to the Scheme
“Scheme Rules”	the rules related to the Scheme in its present or any amended form
“Selected Grantee(s)”	any Employee or director of the Group selected by the Committee to participate in the Scheme
“SFC”	the Securities and Futures Commission
“Shares”	ordinary shares of HK\$0.20 each in the capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning given under section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong or elsewhere
“Trust”	the trust constituted by the Trust Deed
“Trust Deed”	a trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of the appointment of the Trustee for the administration of the Scheme
“Trust Fund”	all the property (including Shares, cash and non-cash income) for the time being and from time to time held or deemed to be held upon the trust of the Trust Deed
“Trustee”	the trustee corporation or trustee corporations to be appointed by the Company for the administration of the Scheme
“Unaccepted Shares”	such Awarded Shares pursuant to an Award which are not accepted by the Selected Grantees in accordance with the terms of the Scheme
“Unvested Shares”	such Awarded Shares which do not vest in the Selected Grantees and have been or will be forfeited in accordance with the terms of the Scheme
“Vesting Date”	in respect of a Selected Grantee, the date on which his or her entitlement to the Awarded Shares accrues or is deemed to have accrued in accordance with the terms of the Scheme

On behalf of the Board
Sun Hung Kai & Co. Limited
Lee Seng Huang
Executive Chairman

Hong Kong, 28 December 2007

As at the date of this announcement, the Board comprises Messrs. Lee Seng Huang (Chairman) and Joseph Tong Tang being the Executive Directors; Messrs. Abdulhakeem Abdulhussain Ali Kamkar, Amin Rafie Bin Othman (alternate to Mr. Abdulhakeem Abdulhussain Ali Kamkar) and Patrick Lee Seng Wei being the Non-Executive Directors; and Messrs. David Craig Bartlett, Alan Stephen Jones, Carlisle Caldw Procter and Peter Wong Man Kong being the Independent Non-Executive Directors.