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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Sun Hung Kai & Co. Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission.



新鴻基有限公司

SUN HUNG KAI & CO. LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 86)

PROPOSALS FOR RE-ELECTION OF DIRECTORS

AND

GENERAL MANDATES TO ISSUE AND REPURCHASE SECURITIES

A notice convening the annual general meeting of Sun Hung Kai & Co. Limited to be held at Plaza V, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 5 June 2008 at 10:00 a.m. is set out on pages 16 to 19 of this circular. If you are not able to attend the annual general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's registrar, Tricor Secretaries Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof if you so wish.

29 April 2008

DEFINITIONS

In this circular (other than in the notice of AGM), unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Plaza V, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 5 June 2008 at 10:00 a.m.
“Articles”	articles of association of the Company
“Board”	board of Directors
“Companies Ordinance”	Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	Sun Hung Kai & Co. Limited, a company incorporated in Hong Kong with limited liability, the securities of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	23 April 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Main Board Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.2 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers

DEFINITIONS

“Warrant(s)”	warrants of the Company carrying rights to subscribe for fully paid Shares in cash at an initial subscription price of HK\$6 per Share, which was adjusted to HK\$5.88 per Share (subject to further adjustments) effective on 20 September 2006, at any time during the period from 1 June 2006 to 31 May 2009 (both days inclusive) (Warrant Code: 466)
“Warrantholder(s)”	holder(s) of the Warrant(s)
“%”	per cent.



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SUN HUNG KAI & CO. LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 86)

Executive Directors:

- * Lee Seng Huang (*Chairman*)
- * Joseph Tong Tang

Non-executive Directors:

- Abdulahkeem Abdulhussain Ali Kamkar
- Amin Rafie Bin Othman (*also as alternate to
Abdulahkeem Abdulhussain Ali Kamkar*)
- Patrick Lee Seng Wei

Independent non-executive Directors:

- David Craig Bartlett
- Alan Stephen Jones
- Carlisle Caldwell Procter
- Peter Wong Man Kong

* *Members of the Executive Committee*

Registered Office:

Units 1201-10 & 14-16
12th Floor, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

29 April 2008

*To the Shareholders and, for information only,
the Warrantholders*

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS
AND
GENERAL MANDATES TO ISSUE AND REPURCHASE SECURITIES**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM relating to (i) the re-election of Directors; and (ii) the granting to the Directors of general mandates for the issue and repurchase of the Company's securities up to 20% and 10% respectively of the aggregate number of the relevant securities of the Company in issue as at the date of the passing of such resolutions.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

The Board currently consists of nine Directors, namely Mr. Lee Seng Huang, Mr. Joseph Tong Tang, Mr. Abdulhakeem Abdulhussain Ali Kamkar, Mr. Amin Rafie Bin Othman (also as alternate to Mr. Abdulhakeem Abdulhussain Ali Kamkar), Mr. Patrick Lee Seng Wei, Mr. David Craig Bartlett, Mr. Alan Stephen Jones, Mr. Carlisle Caldwell Procter and Mr. Peter Wong Man Kong.

Pursuant to Article 101 of the Articles, at each annual general meeting of the Company, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation, provided always that any Director appointed pursuant to Article 92 shall not be taken into account in determining the Directors who are to retire by rotation at such meeting. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election. Pursuant to Article 92 of the Articles, the Board shall have the power from time to time, and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting.

Pursuant to Article 92 of the Articles, Messrs. Abdulhakeem Abdulhussain Ali Kamkar and Amin Rafie Bin Othman, being Directors appointed by the Board on 19 December 2007 and 7 April 2008 respectively, shall hold office only until the AGM. In addition, Messrs. David Craig Bartlett, Carlisle Caldwell Procter and Peter Wong Man Kong shall also retire at the AGM by rotation pursuant to Article 101 of the Articles. All the said five retiring Directors, being eligible, offer themselves for re-election.

Article 105 of the Articles provides that no person, other than a retiring Director, shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been given to the Company during the period commencing no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and ending no later than seven days prior to the date of such general meeting.

Accordingly, if a Shareholder wishes to nominate a person to stand for election as a Director at the AGM, notice of his intention to propose such person for election as a Director and the notice executed by the nominee of his willingness to be elected must be validly served at the registered office of the Company at Units 1201-10 & 14-16, 12th Floor, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong on or before Thursday, 29 May 2008.

LETTER FROM THE BOARD

Pursuant to Rule 13.74 of the Main Board Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Main Board Listing Rules of any directors proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting.

Brief biographical details of the retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix I to this circular. If a valid notice from a Shareholder to propose a person to stand for election as a Director at the AGM is received after the printing of this circular, the Company will issue a supplementary circular to inform Shareholders of the details of the additional candidate proposed.

GENERAL MANDATES TO ISSUE AND REPURCHASE SECURITIES

At the last annual general meeting of the Company held on 12 June 2007, ordinary resolutions were passed granting a general mandate authorizing the Directors to allot, issue and deal with securities of the Company up to 20% of the aggregate number of Shares in issue as at that date (the "Existing Issue Mandate") and a general mandate authorizing the Directors to repurchase Shares up to 10% of the aggregate number of Shares in issue as at that date (the "Existing Repurchase Mandate").

The Existing Issue Mandate and the Existing Repurchase Mandate will expire upon the conclusion of the AGM. The Directors consider that the Existing Issue Mandate and the Existing Repurchase Mandate increase the flexibility in the Company's affairs and are in the interests of the Shareholders, and that the same should continue to be adopted by the Company.

New general mandates to allot, issue and deal with securities of the Company up to 20% and to repurchase securities of the Company up to 10% of the aggregate number of the relevant securities of the Company in issue as at the date of the passing of the resolutions as set out in Resolution Nos. 5A and 5B respectively of the AGM notice will be proposed at the AGM. Resolution authorizing the extension of the general mandate to the Directors to issue securities to include the aggregate number of such securities repurchased (if any) under the repurchase mandate is to be proposed as Resolution No. 5C of the AGM notice at the AGM.

Subject to the passing of the resolution granting the proposed mandate to issue securities of the Company and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to allot, issue and deal with securities of the Company up to a maximum of 335,971,416 Shares, being 20% of the aggregate number of Shares in issue as at the Latest Practicable Date.

With reference to the proposed new general mandates, the Directors wish to state that they have no immediate plans to issue or repurchase any securities of the Company pursuant to the relevant mandates.

LETTER FROM THE BOARD

An explanatory statement containing the particulars required by the Main Board Listing Rules to enable the Shareholders to make an informed view on whether to vote for or against the Resolution No. 5B to be proposed at the AGM in relation to the proposed general mandate to repurchase securities of the Company is set out in Appendix II to this circular.

AGM

The notice convening the AGM is set out on pages 16 to 19 of this circular. Ordinary resolutions in respect of the general mandates to issue and repurchase securities of the Company will be proposed at the AGM.

A form of proxy for the AGM is enclosed with this circular. If you are not able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the registrar of the Company, Tricor Secretaries Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof should you so desire.

RIGHT TO DEMAND A POLL

Pursuant to Article 73 of the Articles, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands) a poll is demanded:

- (a) by the chairman of the meeting; or
- (b) by at least three registered Shareholders present in person or by proxy for the time being entitled to vote at the meeting; or
- (c) by any registered Shareholder or Shareholders present in person or by proxy and representing not less than one-tenth of the total voting rights of all the registered Shareholders having the right to vote at the meeting; or
- (d) by any registered Shareholder or Shareholders present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

RECOMMENDATION

The Directors consider that the re-election of the retiring Directors, the granting of general mandates to issue and repurchase securities of the Company, and to add the aggregate number of securities that may be repurchased to the aggregate number of the securities of the Company that may be allotted pursuant to the general mandate to issue securities are each in the best interests of the Company and the Shareholders as a whole, and accordingly, recommend all Shareholders to vote in favour of the resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular. The English text of this circular shall prevail over the Chinese text.

Yours faithfully,
For and on behalf of the Board
Lee Seng Huang
Executive Chairman

Abdulhakeem Abdulhussain Ali Kamkar*Non-executive Director*

Mr. Kamkar, aged 47, was appointed a non-executive Director on 19 December 2007.

Mr. Kamkar holds a Master's Degree in Urban & Regional Planning from the Graduate School of Public and International Affairs, University of Pittsburgh. He is currently the Chief Executive Officer of Dubai Investment Group (L.L.C) ("DIG"), the holding company of Dubai Ventures L.L.C ("Dubai Ventures") which, as at the Latest Practicable Date, together with Dubai Ventures Limited ("DVL") owned approximately 10% interest in the issued share capital of the Company according to the register required to be kept by the Company pursuant to Section 336 of the SFO. Mr. Kamkar has over 20 years of experience in the finance and investment fields. Before joining DIG, Mr. Kamkar worked with Emirates Financial Services, a subsidiary of Emirates Bank International, and played a major role in the development of the capital markets in the United Arab Emirates. Mr. Kamkar is also a director of DIG Asia Sdn. Bhd. ("DIG Asia"), a wholly-owned subsidiary of DIG, a director of Emirates International Telecommunications L.L.C. and Tanayong PLC (listed on the Thailand Stock Exchange). Previously, he was also a director of Thomas Cook India Limited (listed on the Bombay Stock Exchange and the National Stock Exchange, both in India). Save as disclosed above, Mr. Kamkar did not hold any other directorships in listed public companies during the past three years.

If re-elected at the AGM, the term of Mr. Kamkar's appointment shall continue until 31 December 2008, subject to the provisions of retirement and re-election at the annual general meetings of the Company pursuant to the Articles or any other applicable laws whereby a director shall vacate his office. Same for all Directors, Mr. Kamkar is entitled to a Director's fee to be proposed for the Shareholders' approval at the annual general meeting of the Company each year. Mr. Kamkar received a pro-rata Director's fee of HK\$350 for the period from 19 December 2007 (being date of his appointment) to 31 December 2007.

Save as disclosed above, as at the Latest Practicable Date, Mr. Kamkar had advised that he did not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Kamkar had stated that he had no interest in the shares of the Company within the meaning of Part XV of the SFO. Mr. Kamkar had also stated that he was not aware of any matters that are required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Main Board Listing Rules or any other matters that need to be brought to the attention of the holders of securities of the Company.

Amin Rafie Bin Othman

Non-executive Director and alternate to Mr. Abdulhakeem Abdulhussain Ali Kamkar

Mr. Othman, aged 48, was appointed an alternate to Mr. Abdulhakeem Abdulhussain Ali Kamkar on 19 December 2007 and also a non-executive Director on 7 April 2008.

Mr. Othman graduated from the University College of Wales Aberystwyth with a joint honours degree in Economics and International Politics. He also holds a Master of Business Administration Degree from the City University of London, U.K. Mr. Othman is currently the managing director of DIG Asia, a wholly-owned subsidiary of DIG, the holding company of Dubai Ventures which, as at the Latest Practicable Date, together with DVL owned approximately 10% interest in the issued share capital of the Company according to the register required to be kept by the Company pursuant to Section 336 of the SFO. Mr. Othman is also a director of Milux Corporation Berhad and Weng Zheng Resources Berhad (both listed on the Malaysia Stock Exchange) as well as Tanayong PLC (listed on the Thailand Stock Exchange). He has over 20 years of experience in the finance and investment fields. He was a past president of the Malaysian Association of Asset Managers and a member of the Listing Committee of Bursa Malaysia. Previously, he was also a director of Seal Polymer Industries Berhad and APL Industries Berhad (both listed on the Malaysia Stock Exchange). Save as disclosed above, Mr. Othman did not hold any other directorships in listed public companies during the past three years.

If re-elected at the AGM, the term of Mr. Othman's appointment shall continue until 31 December 2008, subject to the provisions of retirement and re-election at the annual general meetings of the Company pursuant to the Articles or any other applicable laws whereby a director shall vacate his office. Same for all Directors, Mr. Othman will be entitled to a Director's fee which is to be proposed for the Shareholders' approval at the annual general meeting of the Company each year.

Save as disclosed above, as at the Latest Practicable Date, Mr. Othman had advised that he did not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Othman had stated that he had no interest in the shares of the Company within the meaning of Part XV of the SFO. Mr. Othman had also stated that he was not aware of any matters that are required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Main Board Listing Rules or any other matters that need to be brought to the attention of the holders of securities of the Company.

David Craig Bartlett*Independent non-executive Director*

Mr. Bartlett, aged 42, was appointed an independent non-executive Director on 26 November 1999. He is also a member of the Audit Committee and the Remuneration Committee of the Board.

Mr. Bartlett graduated with honours in law from Exeter University in the U.K. in 1988 and subsequently qualified as a solicitor in England & Wales, The Republic of Ireland and Hong Kong. A former partner of the international law firm Clyde & Co., he regularly acted for and advised the Company and its subsidiaries before leaving private practice for a career in the industry. Now based primarily in Luxembourg, he is also an independent non-executive director of Allied Group Limited, a company listed on the Stock Exchange and the ultimate holding company of the Company. Save as disclosed above, Mr. Bartlett did not hold any other directorships in listed public companies during the past three years.

If re-elected at the AGM, the term of Mr. Bartlett's appointment shall continue until 31 December 2008, subject to the provisions of retirement and re-election at the annual general meetings of the Company pursuant to the Articles or any other applicable laws whereby a director shall vacate his office. Based on the letter of appointment between the Company and Mr. Bartlett, he is entitled to a service fee of HK\$150,000 per annum together with all appropriate travel and accommodation expenses for attending the relevant meetings of the Company in Hong Kong as is required by the Company. Same for all Directors, Mr. Bartlett is also entitled to a Director's fee to be proposed for the Shareholders' approval at the annual general meeting of the Company each year. Mr. Bartlett received a Director's fee of HK\$10,000 for the year of 2007.

Save as disclosed above, as at the Latest Practicable Date, Mr. Bartlett had advised that he did not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Bartlett had stated that he had no interest in the shares of the Company within the meaning of Part XV of the SFO. Mr. Bartlett had also stated that he was not aware of any matters that are required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Main Board Listing Rules or any other matters that need to be brought to the attention of the holders of securities of the Company.

Carlisle Caldwell Procter*Independent non-executive Director*

Mr. Procter, aged 67, was appointed an independent non-executive Director on 30 September 2004. He is also a member of the Audit Committee and the Remuneration Committee of the Board.

Mr. Procter graduated from the University of Sydney, Australia with a Bachelor's Degree and a Master's Degree in Economics. He is a Fellow of the Financial Services Institute of Australasia (FFin.). Based in Australia, Mr. Procter worked at the Reserve Bank of Australia for over 30 years, holding various senior management positions. Since leaving the Bank, he has worked as a consultant to the International Monetary Fund (IMF) and the Asian Development Bank (ADB), and has also undertaken private consulting work in the Philippines, Indonesia and Papua New Guinea in the areas of bank supervision, anti-money laundering and corporate governance respectively. Mr. Procter is currently a non-executive director of Bank South Pacific Limited, a company listed on the Port Moresby Stock Exchange, and an independent non-executive director of Quality HealthCare Asia Limited, a company listed on the Stock Exchange and a subsidiary of the Company. Save as disclosed above, Mr. Procter did not hold any other directorships in listed public companies during the past three years.

If re-elected at the AGM, the term of Mr. Procter's appointment shall continue until 31 December 2008, subject to the provisions of retirement and re-election at the annual general meetings of the Company pursuant to the Articles or any other applicable laws whereby a director shall vacate his office. Based on the letter of appointment between the Company and Mr. Procter, he is entitled to a service fee of HK\$150,000 per annum together with all appropriate travel and accommodation expenses for attending the relevant meetings of the Company in Hong Kong as is required by the Company. Same for all Directors, Mr. Procter is also entitled to a Director's fee to be proposed for the Shareholders' approval at the annual general meeting of the Company each year. Mr. Procter received a Director's fee of HK\$10,000 for the year of 2007.

As at the Latest Practicable Date, Mr. Procter had advised that he did not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Procter had stated that he had no interest in the shares of the Company within the meaning of Part XV of the SFO. Mr. Procter had also stated that he was not aware of any matters that are required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Main Board Listing Rules or any other matters that need to be brought to the attention of the holders of securities of the Company.

Peter WONG Man Kong*Independent non-executive Director*

Mr. Wong, *JP*, aged 59, was appointed an independent non-executive Director on 30 May 2001. He is also the Chairman of the Remuneration Committee and a member of the Audit Committee of the Board.

Mr. Wong graduated from the University of California at Berkeley in U.S.A. with a Bachelor of Science Degree in Mechanical Engineering (Naval Architecture), and was an awardee of the “Young Industrialist Award of Hong Kong” in 1988. He is the Chairman of M.K. Corporation Limited and North West Development Limited. He is also a non-executive director of Hong Kong Ferry (Holdings) Company Limited and New Times Group Holdings Limited, an independent non-executive director of China Travel International Investment Hong Kong Limited, Far East Consortium International Limited, Glorious Sun Enterprises Limited, Chinney Investments, Limited and Sino Hotels (Holdings) Limited, all being companies listed on the Stock Exchange. Mr. Wong is a Deputy of the 11th National People’s Congress of the P.R.C. Save as disclosed above, Mr. Wong did not hold any other directorships in listed public companies during the past three years.

If re-elected at the AGM, the term of Mr. Wong’s appointment shall continue until 31 December 2008, subject to the provisions of retirement and re-election at the annual general meetings of the Company pursuant to the Articles or any other applicable laws whereby a director shall vacate his office. Based on the letter of appointment between the Company and Mr. Wong, he is entitled to a service fee of HK\$150,000 per annum. Same for all Directors, Mr. Wong is also entitled to a Director’s fee to be proposed for the Shareholders’ approval at the annual general meeting of the Company each year. Mr. Wong received a Director’s fee of HK\$10,000 for the year of 2007.

As at the Latest Practicable Date, Mr. Wong had advised that he did not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Wong had stated that he had no interest in the shares of the Company within the meaning of Part XV of the SFO. Mr. Wong had also stated that he was not aware of any matters that are required to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Main Board Listing Rules or any other matters that need to be brought to the attention of the holders of securities of the Company.

This Appendix contains the particulars that are required by the Main Board Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the AGM in relation to the proposed repurchase mandate.

SHARE CAPITAL AND WARRANTS

As at the Latest Practicable Date, the issued share capital of the Company was HK\$335,971,416.6 divided into 1,679,857,083 fully paid Shares. There were also 229,388,211 outstanding Warrants in an aggregate amount of HK\$1,376,329,266 issued at an initial subscription price of HK\$6 per Share, carrying the rights to subscribe up to 234,069,603 new Shares at the adjusted subscription price of HK\$5.88 per Share.

Subject to the passing of the resolution granting the proposed mandate to repurchase securities of the Company and on the basis that no further securities are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 167,985,708 Shares and 22,938,821 Warrants in an aggregate amount of HK\$137,632,926.6 issued at an initial subscription price of HK\$6 per Share, carrying the rights to subscribe up to 23,406,960 new Shares at the adjusted subscription price of HK\$5.88 per Share (subject to further adjustments), during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its securities on the Stock Exchange. Such repurchases may, depending on market conditions, and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

The Directors have no present intention to repurchase any securities of the Company pursuant to the proposed repurchase mandate and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company and in circumstances where they consider that the securities can be repurchased on terms favourable to the Company. On the basis of the consolidated financial position of the Company as at 31 December 2007, being the date to which the latest published audited financial statements of the Company were made up, the Directors consider that if the general mandate to repurchase securities of the Company were to be exercised in full at the currently prevailing market value, it may have an adverse impact on the working capital position and gearing level of the Company. The Directors do not propose to exercise the mandate to repurchase securities of the Company to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company as compared with the position disclosed in the latest published audited financial statements or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

FUNDING OF REPURCHASES

Repurchases of securities of the Company pursuant to the proposed repurchase mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum and articles of association and the Companies Ordinance.

EFFECT OF THE TAKEOVERS CODE

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

According to the register maintained by the Company under Section 336 of the SFO, as at the Latest Practicable Date, Allied Properties (H.K.) Limited ("APL"), indirectly through its wholly-owned subsidiary, held 985,197,892 Shares, representing approximately 58.64% of the issued share capital of the Company. Dubai Ventures together with DVL (collectively the "Dubai Group") also held an aggregate of 168,042,000 Shares, representing approximately 10% of the issued share capital of the Company. Based on such interests and assuming that no further Shares are issued or repurchased prior to the AGM, the shareholding interests of APL and Dubai Group would be increased to approximately 65.16% and 11.11% of the issued share capital of the Company respectively in the event that the Directors exercise in full the power to repurchase Shares under the repurchase mandate. The Directors are not aware of any consequences which may arise under the Takeovers Codes as a result of any repurchases of Shares made under the repurchase mandate. In the event that the repurchase mandate is exercised in full, the number of Shares held by the public would fall below 25% of the total number of Shares then in issue. The Directors have no intention to repurchase Shares to such an extent which will result in the number of Shares held by the public being reduced to less than 25%.

SHARE AND WARRANT PRICE

The following table shows the highest and lowest prices at which the Shares and Warrants have been traded on the Stock Exchange in each of the past twelve months:

Month	Shares		Warrants	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2007				
April	7.20	6.45	1.43	1.05
May	7.40	6.51	1.50	1.20
June	7.55	6.69	1.69	1.14
July	13.00	7.12	6.00	1.60
August	12.46	7.40	6.00	2.70
September	12.20	10.18	6.00	4.63
October	12.68	10.20	6.80	5.00
November	13.94	9.60	8.00	4.58
December	11.14	9.39	5.16	4.60
2008				
January	10.50	7.03	4.55	2.79
February	8.51	6.70	2.78	1.80
March	7.67	6.02	1.90	0.88
April (up to the Latest Practicable Date)	7.91	7.05	2.00	1.18

REPURCHASE OF SECURITIES

In the six months preceding the Latest Practicable Date, the Company has not repurchased any securities on the Stock Exchange or otherwise.

GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their associates currently intend to sell any securities of the Company to the Company or its subsidiaries.

No connected persons of the Company, as defined in the Main Board Listing Rules, have notified the Company that they have a present intention to sell any securities of the Company to the Company, or have undertaken not to do so in the event that the Company is authorized to make repurchases of the securities.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the proposed mandate to repurchase securities in accordance with the Main Board Listing Rules and the Companies Ordinance.

NOTICE OF AGM



新鴻基有限公司

SUN HUNG KAI & CO. LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 86)

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “Meeting”) of Sun Hung Kai & Co. Limited (the “Company”) will be held at Plaza V, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 5 June 2008 at 10:00 a.m. for the following purposes:

1. To receive and adopt the audited financial statements and the reports of the directors and auditor for the year ended 31 December 2007.
2. To declare a final dividend.
3.
 - (a) To re-elect Mr. Abdulhakeem Abdulhussain Ali Kamkar as director.
 - (b) To re-elect Mr. Amin Rafie Bin Othman as director.
 - (c) To re-elect Mr. David Craig Bartlett as director.
 - (d) To re-elect Mr. Carlisle Caldow Procter as director.
 - (e) To re-elect Mr. Peter Wong Man Kong as director.
 - (f) To fix the directors’ fees.
4. To re-appoint auditor and to authorize the board of directors to fix their remuneration.
5. As special business, to consider, and if thought fit, to pass the following resolutions, with or without modifications, as ordinary resolutions:

ORDINARY RESOLUTIONS

A. **“THAT:**

- (a) subject to paragraph (c) of this Resolution, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of the Company (the “Shares”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements and options which might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall be in addition to any other authorizations given to the Directors and shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;

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(c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval given in paragraph (a) of this Resolution, otherwise than pursuant to:

(i) a Rights Issue (as hereinafter defined);

(ii) the exercise of the rights of subscription or conversion attaching to any warrants issued by the Company or any securities which are convertible into Shares;

(iii) the exercise of any options granted under any option scheme or similar arrangement for the time being adopted for the granting or issue to the officers and/or employees of the Company and/or any of its subsidiaries of any options to subscribe for, or rights to acquire Shares; or

(iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company from time to time;

shall not exceed 20% of the aggregate number of Shares in issue at the date of passing this Resolution and the said approval shall be limited accordingly;

(d) subject to the passing of each of the paragraphs (a), (b) and (c) of this Resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and

(e) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and

(iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means the allotment, issue or granting of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares whose names stand on the register of members of the Company on a fixed

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record date in proportion to their then holdings of such Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or stock exchange in any territory outside Hong Kong applicable to the Company).”

B. “THAT:

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares and outstanding warrants of the Company (the “Warrants”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the Shares and Warrants may be listed and recognized for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange, subject to and in accordance with all applicable laws and regulations, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares and Warrants which may be repurchased by the Company pursuant to paragraph (a) of this Resolution during the Relevant Period shall not exceed 10% of the aggregate number of Shares in issue at the date of the passing of this Resolution and 10% of the Warrants at the date of the passing of this Resolution respectively, and the approval granted under paragraph (a) of this Resolution shall be limited accordingly;
- (c) subject to the passing of each of the paragraphs (a) and (b) of this Resolution, any prior approvals of the kind referred to in paragraphs (a) and (b) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

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- C. “**THAT** conditional upon the passing of Resolutions A and B above, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue or otherwise deal with the securities pursuant to Resolution A above be and is hereby extended by the addition thereto the number of such Shares and Warrants repurchased by the Company under the authority granted pursuant to Resolution B above, provided that such number shall not exceed 10% of the aggregate number of Shares in issue at the date of the passing of this Resolution.”

By order of the Board
Hester Wong Lam Chun
Company Secretary

Hong Kong, 29 April 2008

Notes:

- 1. The register of members and the register of warrant holders of the Company will be closed from 2 June 2008 to 5 June 2008, both days inclusive, during which period no transfer of shares and warrants of the Company will be registered. In order to qualify for the final dividend, all transfer forms accompanied by the relevant share certificates or in the case of warrant holders, all subscription forms accompanied by the relevant warrant certificates and exercise money, must be lodged with the Company's registrar, Tricor Secretaries Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:00 p.m. on 30 May 2008. The final dividend will be paid in the form of scrip, with the shareholders being given an option to elect cash in respect of part or all of such dividend, and is expected to be dispatched on or around 31 July 2008.*
- 2. A member entitled to attend and vote at the Meeting may appoint one or more proxies to attend and, on a poll, to vote in his stead. A proxy need not be a member of the Company but must be present in person to represent the member.*
- 3. Where there are joint registered holders of any shares, any one such persons may attend and vote at the Meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders be present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.*
- 4. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy thereof must be deposited at the office of the Company's registrar, Tricor Secretaries Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof. The completion and delivery of the form of proxy will not preclude you from attending and voting in person at the Meeting or any adjournment thereof if you so wish.*
- 5. Concerning Resolution No. 5A above, the Directors wish to state that in respect of this general mandate, they have no immediate plans to issue any new securities of the Company; approval is being sought from members as a general mandate in order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to issue any securities of the Company up to 20% of the issued share capital of the Company at the date of the passing of the resolution.*
- 6. The general purpose of the authority to be conferred on the Directors by Resolution No. 5B above is to increase flexibility and to provide discretion to the Directors in the event that it becomes desirable to repurchase securities representing up to a maximum of 10% of the relevant securities of the Company in issue at the date of the passing of the resolution.*