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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 a licensed securities dealer or registered institution dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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

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PROPOSALS FOR RE-ELECTION OF DIRECTORS

**GRANTING OF GENERAL MANDATES TO ISSUE SECURITIES AND
REPURCHASE SHARES**

ADOPTION OF NEW ARTICLES OF ASSOCIATION

AND

NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of Sun Hung Kai & Co. Limited (the "Company") to be held at Plaza 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 18 June 2010 at 10:45 a.m. (or immediately after the closing of the EGM) is set out on pages 26 to 30 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 at 26/F, 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.

18 May 2010

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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 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 18 June 2010 at 10:45 a.m. (or immediately after the closing of the EGM)
“Articles”	the existing articles of association of the Company (as amended from time to time)
“Associates”	has the meaning ascribed in the Main Board Listing Rules
“Board”	board of Directors
“Business Day”	a day on which commercial banks and foreign exchange markets settle payments in Hong Kong and the Cayman Islands, excluding any day in Hong Kong on which a typhoon signal number 8 or above or a “black” rainstorm warning is hoisted
“Closing Date”	the date which is 21 days after and excluding the date upon which the last of the conditions precedent under the Subscription Agreement has been or remains satisfied or waived (as applicable) and if such day is not a Business Day on the next Business Day thereafter, provided that it shall be a date no later than 31 October 2010, or such other time and/or date as the Company and the Investor may agree in writing
“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 shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company

DEFINITIONS

“EGM”	the extraordinary general meeting of the Company proposed to be held in the same morning on the date of AGM and at the same place as the AGM, notice of which will be sent to the Shareholders in due course to approve, among other matters, the Subscription Agreement
“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
“Investor”	Asia Financial Services Company Limited, a company incorporated under the laws of the Cayman Islands with limited liability
“Latest Practicable Date”	14 May 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Mandatory Convertible Notes”	HK\$1,708,000,000 in aggregate principal amount of 2% mandatory convertible notes due 2013 mandatorily convertible into Shares
“Main Board Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“New Warrants”	HK\$427,000,000 in face value of warrants exercisable to subscribe for Shares
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company
“Subscription Agreement”	the conditional subscription agreement dated 22 April 2010 entered into between the Company and the Investor in relation to the proposed issue and subscription of the Mandatory Convertible Notes and the New Warrants to the Investor
“Shareholder(s)”	holder(s) of the Share(s)

DEFINITIONS

“Special Mandate”	the special mandate to be proposed at the EGM to seek Shareholders’ consent for the Company to allot and issue the Mandatory Convertible Notes and the New Warrants and new ordinary shares in the share capital of the Company which may fall to be issued upon the conversion of the Mandatory Convertible Notes and the exercise of the subscription rights attaching to the New Warrants
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Warrant(s)”	warrants of the Company carrying rights to subscribe for fully paid Shares in cash at an initial subscription price of HK\$6.00 per Share, which was adjusted to HK\$5.88 per Share. Subscription rights attached to the warrants had expired on 29 May 2009
“%”	per cent

LETTER FROM THE BOARD



新鴻基有限公司

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:

Goh Joo Chuan
Fevzi Timucin Engin
Josefh Kamal Eskandar (alternate to
Fevzi Timucin Engin)
Patrick Lee Seng Wei
Ming Cheng

Independent non-executive Directors:

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

* Members of the Executive Committee

Registered Office:

12/F, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

18 May 2010

To the Shareholders

Dear Sir / Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS
GRANTING OF GENERAL MANDATES TO ISSUE SECURITIES AND
REPURCHASE SHARES
ADOPTION OF NEW ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM relating to, among other things, (i) the re-election of Directors; (ii) the granting to the Directors of general mandates for the issue of securities and repurchase of Shares up to 20% and 10% respectively of the Company's aggregate nominal amount of the issued share capital as at the date of the passing of such resolutions; and (iii) the proposed adoption of new Articles.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

The Board currently consists of ten Directors, namely Mr. Lee Seng Huang, Mr. Joseph Tong Tang, Mr. Goh Joo Chuan, Mr. Fevzi Timucin Engin, (Mr. Joseph Kamal Eskandar as alternate to Mr. Fevzi Timucin Engin), Mr. Patrick Lee Seng Wei, Mr. Ming Cheng, Mr. David Craig Bartlett, Mr. Alan Stephen Jones, Mr. Carlisle Caldow Procter and Mr. Peter Wong Man Kong.

Pursuant to Article 101, at each annual general meeting of the Company, one-third of the Directors for the time being, or such 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, 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, Messrs. Goh Joo Chuan and Ming Cheng being the Directors appointed by the Board respectively on 19 November 2009 and 27 July 2009, shall hold office only until the AGM. In addition, Messrs. Lee Seng Huang, David Craig Bartlett and Peter Wong Man Kong shall also retire at the AGM by rotation pursuant to Article 101. All the said five retiring Directors, being eligible, offer themselves for re-election.

Article 105 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 who has not been recommended by the Directors 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 12/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong on or before 10 June 2010.

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.

LETTER FROM THE BOARD

Accordingly, 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 the Shareholders of the details of the additional candidate proposed.

GENERAL MANDATES TO ISSUE SECURITIES AND REPURCHASE SHARES

At the last annual general meeting of the Company held on 10 June 2009, 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 issued share capital of the Company as at that date (the “Existing Issue Mandate”) and a general mandate authorizing the Directors to repurchase Shares up to 10% of the issued share capital of the Company 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 of up to 20% and to repurchase Shares up to 10% respectively of the aggregate nominal amount of the issued share capital 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. A resolution authorizing the extension of the general mandate to the Directors to issue securities of the Company to include the aggregate nominal amount of such Shares repurchased (if any) under the repurchase mandate is to be proposed as Resolution No. 5C of the AGM notice at the AGM.

On 22 April 2010, the Company and the Investor entered into a Subscription Agreement whereby the Company conditionally agreed to issue and the Investor conditionally agreed to subscribe for the Mandatory Convertible Notes and New Warrants. In addition, within three months from the Closing Date, if the price of the Shares falls below HK\$5.00 at any time during such period, within five Business Days of such date the Company shall use its best endeavours to repurchase Shares subject to the terms of the existing share repurchase mandate and certain conditions, but in any event provided that it is in the best interest of the Shareholders as determined by the Directors in their sole discretion to do so. For details of the proposed transactions contemplated under the Subscription Agreement, please refer to the related announcement dated 26 April 2010 issued by, among others, the Company. A circular giving further information of the same including, among other things, the convening of an EGM to seek the approval of the Shareholders to grant the Special Mandate to allot and issue the Mandatory Convertible Notes and the New Warrants and new Shares in the share capital of the Company which may fall to be issued upon the conversion of the Mandatory Convertible Notes and the exercise of the subscription rights attaching to the New Warrants will be dispatched to the Shareholders in due course. Obligations of the Company under the Subscription Agreement to issue and allot new Shares under the Mandatory Convertible Notes and New Warrants will only arise on Closing Date.

LETTER FROM THE BOARD

Accordingly, subject to the passing of the resolution granting the proposed general mandate to issue 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 allot, issue and deal with Shares up to a maximum of 350,429,615 Shares, being 20% of the issued share capital of the Company in issue as at the Latest Practicable Date.

With reference to the proposed new general mandates, the Directors wish to state that, other than an intention to give effect to and to implement the transactions contemplated by the Subscription Agreement, they have no immediate plans to issue any new securities or repurchase any Shares.

Investors should note that no resolution will be considered in respect of the granting of the Special Mandate at the AGM since the Special Mandate will be proposed for consideration and approval by the Shareholders at the EGM. Notice of the EGM will be sent to the Shareholders in due course.

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 Shares is set out in Appendix II to this circular.

PROPOSED ADOPTION OF NEW ARTICLES OF ASSOCIATION

The Articles has been adopted since 1990 and several amendments have been made thereto subsequent to the adoption. In order to bring the Articles in line with certain recent changes to the Main Board Listing Rules as well as to modernise and update the Articles, certain amendments will need to be made to the Articles. In view of the substantial number of amendments, the Directors would like to take this opportunity to propose that a new Articles, consolidating all the previous and proposed amendments, be adopted to replace the Articles with effect from the date of passing the relevant special resolution at the AGM.

Summary of the major changes brought about by the adoption of the new Articles are set out in the Appendix III to this circular. A copy of the new Articles proposed to be adopted at the AGM is available for inspection during the normal business hours at the office of the Company at 12/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong from the date of this circular up to and including the date of the AGM and at the AGM.

AGM

The notice convening the AGM is set out on pages 26 to 30 of this circular. Ordinary resolutions in respect of, among other things, the re-election of Directors and the general mandates to issue securities of the Company and repurchase Shares, and a special resolution in respect of the adoption of new Articles will be proposed at the AGM.

LETTER FROM THE BOARD

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 at 26/F, 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 or any adjournment thereof. 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.

VOTING AT THE AGM

Pursuant to Rule 13.39(4) of the Main Board Listing Rules, all votes of shareholders at general meetings must be taken by poll. The Chairman of the AGM will therefore demand a poll for all resolutions put to vote at the AGM in accordance with Article 73. The procedures for conducting a poll are set out in Appendix IV to this circular. The Chairman of the AGM will explain again and also answer any questions raised by the Shareholders regarding voting by way of a poll at the AGM.

After the conclusion of the AGM, the results of the poll will be announced in accordance with Rule 13.39(5) of the Main Board Listing Rules.

RECOMMENDATION

The Directors consider that the proposed ordinary resolutions for approval of (i) the re-election of the retiring Directors; (ii) the granting of general mandates to issue securities of the Company and to repurchase Shares, and to add the aggregate nominal amount of Shares that may be repurchased to the aggregate nominal amount of the share capital of the Company that may be allotted pursuant to the general mandate to issue Shares; and the proposed special resolution for approval of the adoption of new Articles, 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.

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

Goh Joo Chuan*Non-Executive Director*

Mr. Goh, aged 49, was appointed a Non-Executive Director of the Company on 19 November 2009.

Mr. Goh graduated from the University of Chicago where he obtained his Bachelor of Arts with Honors and Master of Arts in International Finance. Mr. Goh joined the Dubai Group as its Chief Investment Officer in November 2008 and is now Head of Treasury for Dubai Holdings. According to information available to the Company, as at the Latest Practicable Date, the Dubai Group own approximately 9.47% of the issued share capital of the Company according to the definition of Part XV of the SFO. Mr. Goh has over 25 years of experience in several major areas of the banking industry, including management of financial institutions, consumer banking, Islamic banking, treasury management, risk management, e-commerce, structuring, sales, distribution and trading, change management, and private equity work. He was key to managing Citibank's Asian exposure during the Asian Crisis. Prior to joining the Dubai Group, Mr. Goh was the Director of Treasury for Guangdong Development Bank, China. Mr. Goh has served with several leading regional and international institutions including the Saudi American Bank and Samba Group in Riyadh, Citibank, Chase Manhattan Bank and The Monetary Authority of Singapore. Mr. Goh is currently on the board of Oman National Investment Corporation Holding, a company listed on the Muscat SM Abu Dhabi Securities Exchange and on the board of Dubai First. Save as disclosed above, Mr. Goh did not hold any directorships in listed public companies in Hong Kong and overseas during the past three years.

If re-elected at the AGM, the term of Mr. Goh's appointment shall continue until 31 December 2010, 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. Goh 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. Goh received a Director's fee of HK\$1,167 for the period from 19 November 2009 (date of appointment) to 31 December 2009.

Save as disclosed above, as at the Latest Practicable Date, Mr. Goh had advised that he did not have any relationship with any Directors, senior management or substantial or controlling Shareholders, nor did he have any interest in the Shares within the meaning of Part XV of the SFO. Mr. Goh 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 Shareholders.

Ming Cheng*Non-Executive Director*

Mr. Ming, aged 41, was appointed a Non-Executive Director of the Company on 27 July 2009.

Mr. Ming is currently a director of Goldlex Limited which as at the Latest Practicable Date owns approximately 6.45% of 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. Starting April 2009, Mr. Ming is the managing director of Primus Financial Holdings Limited with overall management responsibility for all financial functions of this asset management company. Between February 2004 to 2009, he was the chief financial officer of Paragon International Inc. which runs twenty hotels located throughout the USA and a real estate investment portfolio. Prior to that, Mr. Ming served in a number of commercial enterprises including Aster Gem & Jewelry, ONDA Technologies Inc., and Guangzhou Foreign Capital Enterprises Material Import & Export Company. Mr. Ming received a Master Degree of Science, with honors, from South of China Normal University in Guangzhou, the PRC in 1993. Save as disclosed above, Mr. Ming did not hold any other directorships in listed public companies in Hong Kong and overseas during the past three years.

If re-elected at the AGM, the term of Mr. Ming's appointment shall continue until 31 December 2010, 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. Ming 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. Ming received a Director's fee of HK\$4,301 for the period from 27 July 2009 (date of appointment) to 31 December 2009.

Save as disclosed above, as at the Latest Practicable Date, Mr. Ming had advised that he did not have any relationship with any Directors, senior management or substantial or controlling Shareholders, nor did he have any interest in the Shares within the meaning of Part XV of the SFO. Mr. Ming 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 Shareholders.

Lee Seng Huang*Executive Chairman*

Mr. Lee, aged 35, was appointed an Executive Chairman of the Company on 1 January 2007.

Mr. Lee was educated at the University of Sydney in Australia and has wide ranging financial services and real estate investment experience in the Asian region. He has previously served, in various capacities, on the Board of Directors of the Company, as well as Lippo Limited, Lippo China Resources Limited in Hong Kong, Auric Pacific Group Limited in Singapore as well as the Export and Industry Bank, Inc. in the Philippines. He is currently the executive chairman of Mulpha International Berhad (a Malaysian listed conglomerate with operations in Southeast Asia, Australia and China) as well as Mulpha Australia Limited, and chairman of FKP Property Group, a leading property developer listed on the Australian Securities Exchange. He is also a non-executive director of Ambrian Capital PLC, a company listed on the Alternative Investment Market of the London Stock Exchange. Mr. Lee is a Corporate Advisory Council Member of the Hong Kong Securities Institute and a General Committee Member of The Chamber of Hong Kong Listed Companies. Mr. Lee is a cousin of Mr. Patrick Lee Seng Wei, a Non-Executive Director of the Company. Save as disclosed above, Mr. Lee did not hold any other directorships in listed public companies in Hong Kong and overseas during the past three years.

Mr. Lee entered into a service contract with the Company pursuant to which Mr. Lee is entitled to receive a monthly salary, which is presently HK\$150,000 (subject to annual review), benefits in kind including rental reimbursement and a discretionary bonus based on the performance of the Company. For the year 2009, Mr. Lee was remunerated with benefits in kind amounted to approximately HK\$3.02 million, including therein are rent and related rental expenses of approximately HK\$2.86 million. In April 2010, Mr. Lee was awarded a sum of HK\$8.0 million as discretionary bonus for the year 2009. He is also entitled to a Director's fee which is to be proposed for the Shareholders' approval at the annual general meeting each year. For the year 2009, he received a Director's fee of HK\$12,000. The remuneration package of Mr. Lee was determined with reference to the prevailing market conditions based on the performance and contribution of Mr. Lee in the Group. The term of Mr. Lee's appointment will continue until terminated by either party by giving three month's written notice or payment in lieu. Mr. Lee's appointment is also subject to the provisions of retirement and re-election at the annual general meetings of the Company in accordance with the Articles or any other applicable laws whereby a director shall vacate his office.

Mr. Lee together with his brother Mr. Lee Seng Hui and his sister Ms. Lee Su Hwei are the trustees of Lee and Lee Trust, a discretionary trust which as at the Latest Practicable Date, owned 52.39% interest in the issued share capital of Allied Group Limited ("AGL"). AGL owned 74.36% interest in Allied Properties (H.K.) Limited ("APL") as at the Latest Practicable Date which in turn owned 62.31% of the issued share capital of the Company.

Save as disclosed above, as at the Latest Practicable Date, Mr. Lee had advised that he did not have any relationship with any Directors, senior management or substantial or controlling Shareholders and had no other interest in the Shares within the meaning of Part XV of the SFO. Mr. Lee 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 Shareholders.

David Craig Bartlett*Independent Non-Executive Director*

Mr. Bartlett, aged 44, was appointed an Independent Non-Executive Director of the Company on 26 November 1999. He is also a member of the Audit Committee and the Remuneration Committee.

Mr. Bartlett graduated with honours in law from Exeter University in the United Kingdom in 1988 and subsequently qualified as a solicitor in England & Wales, The Republic of Ireland and the Hong Kong Special Administrative Region. 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 industry. Now based primarily in Luxembourg, he is also an independent non-executive director of Allied Group Limited, the holding company of the Company. Save as disclosed above, Mr. Bartlett did not hold any other directorships in listed public companies in Hong Kong and overseas during the past three years.

If re-elected at the AGM, the term of Mr. Bartlett's appointment shall continue until 31 December 2010, 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 now entitled to a service fee of HK\$165,000 per annum (payable quarterly in arrears) 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 2009.

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 and had no other interest in the Shares 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 Shareholders.

Peter Wong Man Kong*Independent Non-Executive Director*

Mr. Wong, *JP*, aged 61, was appointed an Independent Non-Executive Director of the Company on 30 May 2001. He is also the Chairman of the Remuneration Committee and a member of the Audit Committee.

Mr. Wong graduated from the University of California at Berkeley, 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 Energy Corporation 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 in Hong Kong and overseas during the past three years.

If re-elected at the AGM, the term of Mr. Wong’s appointment shall continue until 31 December 2010, 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 now entitled to a service fee of HK\$165,000 per annum (payable quarterly in arrears). 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 2009.

Save as disclosed above, 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 and had no other interest in the Shares 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 Shareholders.

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

As at the Latest Practicable Date, the issued share capital of the Company was HK\$350,429,615.40 divided into 1,752,148,077 fully paid Shares.

Subject to the passing of the resolution granting the proposed mandate to repurchase Shares and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 175,214,807 Shares, 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 Shares 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 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 Shares can be repurchased on terms favourable to the Company. On the basis of the consolidated financial position of the Company as at 31 December 2009, 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 Shares 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 Shares 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 of the Company 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 shares of the Company pursuant to the proposed repurchase mandate would be funded out of funds legally available for such purpose in accordance with the Company's memorandum and Articles, the Companies Ordinance and other applicable laws of Hong Kong.

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 general 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 and/or the latest information available to the Company as at the Latest Practicable Date, (i) Allied Properties (H.K.) Limited ("APL"), indirectly through its wholly-owned subsidiary, held 1,091,885,163 Shares, representing approximately 62.31% of the issued share capital of the Company; (ii) Dubai Group held an interest of 166,000,000 Shares, representing approximately 9.47% of the issued share capital of the Company; and (iii) CVC Capital Partners Asia III Limited ("CVC") held 409,920,000 deemed interest in the underlying shares of the Company representing approximately 23.40% 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, Dubai Group and CVC would be increased to approximately 69.24%, 10.53% and 26% 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 PRICES

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

Month	Price per Share		Price per unit of Warrant*	
	Highest HK\$	Lowest HK\$	Highest HK\$	Lowest HK\$
2009				
April	4.780	4.210	0.030	0.001
May	5.590	4.330	0.155	0.001
June	5.460	4.830	–	–
July	6.290	4.800	–	–
August	6.830	5.850	–	–
September	6.680	5.860	–	–
October	6.260	5.610	–	–
November	6.450	5.850	–	–
December	6.200	5.600	–	–
2010				
January	7.360	6.000	–	–
February	6.910	5.730	–	–
March	6.520	5.850	–	–
April	8.680	6.080	–	–
May (up to the Latest Practicable Date)	8.150	6.950	–	–

* Subscription rights attached to the Warrants had expired on 29 May 2009.

REPURCHASES OF SHARES

In the six months preceding the Latest Practicable Date, the Company has not repurchased any Shares 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 Shares 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 Shares to the Company, or have undertaken not to do so in the event that the Company is authorized to make repurchases of the Shares.

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 Shares in accordance with the Main Board Listing Rules and the Companies Ordinance and other applicable laws of Hong Kong.

This Appendix summarises the major changes brought about by the adoption of the new Articles. Unless otherwise specified, article numbers stated herein are numbers of the new Articles.

(a) Interpretation

A new definition of “business day” and “Stock Exchange” has been introduced to comply with the Listing Rules.

(b) Share capital and Modification of Rights

- (i) Article 3 (previously numbered as article 3(a)) has been amended to expressly provide that where the capital of the Company includes Shares with different voting rights or no voting rights, other than those with the most favourable voting rights, the words “restricted voting”, “limited voting” or “non-voting” must appear in the designation of such Shares.
- (ii) Article 5 (previously numbered as article 4) has been amended to remove references relating to demand a poll and to expressly provide that the special rights attached to any class of Shares may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up.

(c) Shares and Increase of Capital

- (i) Article 6 (previously numbered as article 5) has been amended to expressly provide the Company with power to acquire its own warrants (including any redeemable Shares) at any price or finance the acquisition of its own warrants.
- (ii) Article 8 (previously numbered as article 7) has been amended to expressly provide that Shares may also be issued with a preferential or qualified right in the distribution of assets of the Company and with a special or without any right of voting.

(d) Register of Members and Share Certificates

Article 18 (previously numbered as article 17) has been amended to expressly provide that every share certificate shall relate to only one class of Shares.

(e) Call on Shares

- (i) Article 24 (previously numbered as article 23) has been amended to clarify that Directors may make calls upon the members in respect of all moneys unpaid on the Shares held, whether on account of the nominal value of Shares or by way of premiums, and references to different arrangements between Shareholders in respect of calls on Shares has been moved to Article 35 (previously numbered as article 34).

- (ii) Article 30 has been removed and article 31 has been added to expressly provide that calls made by the Company may be revoked in whole or in parts and payment of calls may be postponed in whole or in parts. A person on whom a call is made will remain liable for calls made upon him notwithstanding the subsequent transfer of the Shares in respect whereof the call was made.
- (iii) Article 32 (previously numbered as article 31) has been amended to expressly provide that, in addition to interest, the person or persons from whom the sum is due shall also pay all costs, charges and expenses that the Company may have incurred by reason of any non-payment of calls or instalments on or before the day appointed for payment.
- (iv) Article 36 (previously numbered as article 35) has been amended to remove certain words to the effect that any payment in advance of a call shall not entitle the member to receive any dividend or to exercise any other rights or privileges as a member in respect of the Shares or the due portion of the Shares upon which payment has been advanced by such member before it is called up.

(f) Transfer of Shares

- (i) Article 37 (previously numbered as article 36) has been amended to clarify that all transfer of Shares may be effected by transfer in writing in the usual common form or in such other form as the Board may accept and to permit the Company to accept machine imprinted signatures on the instrument of transfer if the transferor or transferee is a clearing house or its nominee or a bank as provided by the Companies Ordinance and the Listing Rules.
- (ii) Article 38 (previously numbered as article 37) has been amended to conform with the amendments made to Article 37.

(g) Forfeiture of Shares

- (i) Article 50 (previously numbered as article 49) has been amended to clarify that the notice to Shareholders shall also name the place where payment is to be made.
- (ii) Article 54 (previously numbered as article 53) has been amended to clarify that the person to whom a forfeited Share is sold or disposed of and registered as the holder of the Share shall be discharged from all calls made prior to such sale or disposition.
- (iii) Article 56 (previously numbered as article 55) has been amended to expressly provide the Directors with power to cancel any forfeitures of Shares.
- (iv) Article 59 has been added to expressly provide that in the event of a forfeiture of Shares the member shall be bound to deliver to the Company the certificates held by him for the Shares so forfeited and such certificates shall be void and of no further effect.

(h) Alteration of Capital

- (i) Article 64(a)(ii) has been added to the previously numbered article 62(a) to expressly provide that the Company may by ordinary resolution divide its Shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions.
- (ii) Article 64(a)(v) has been added to the previously numbered article 62(a) to expressly provide that the Company may by ordinary resolution make provision for the issue and allotment of Shares that do not carry any voting rights.

(i) General Meetings

Article 68 (previously numbered as article 66) has been amended to clarify that, subject to such other minimum period as may be specified in the Listing Rules and the Companies Ordinance from time to time, (a) an annual general meeting shall be called by at least twenty-one clear days' notice or twenty clear business days' notice in writing, whichever is longer, (b) any extraordinary general meeting called for the passing of a special resolution shall be called by at least twenty-one clear days' notice or ten clear business days' notice in writing, whichever is longer, and (c) all other general meetings of the Company other than an annual general meeting or a meeting called for the passing of a special resolution shall be called by at least fourteen clear days' notice or ten clear business days' notice in writing, whichever is longer. A meeting of the Company may be called by shorter notice if it is agreed by all the members entitled to attend and vote in the case of an annual general meeting and by a majority in number of the members having a right to attend and vote in the case of any other meeting.

(j) Proceedings at General Meetings

- (i) Article 72 (previously numbered as article 70) has been amended to expressly provide that any dissolved meetings may stand adjourned to such other day as the Chairman shall decide.
- (ii) Article 73 (previously numbered as article 71) has been amended to expressly provide that the deputy chairman of the Board (if any) shall take chair at every general meeting in the absent of the chairman of the Board or if the chairman of the Board declines to take the chair at such meeting.
- (iii) Article 75 (previously numbered as article 73) has been amended so that voting by way of show of hands is no longer permitted. All resolutions put to the vote of a general meeting shall be decided by way of a poll. Consequently, all references in articles 74, 75, 76, 77, 85, 87 and 88 of the existing Articles relating to demand for a poll have been removed.
- (iv) Article 76 (previously numbered as article 74) has been amended to expressly provide that the Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the Listing Rules.

- (v) Articles 77, 79 and 82 (previously numbered as articles 76, 78 and 81) have been amended to remove references relating to voting by show of hands.
- (vi) Article 78 has been added to expressly provide that a resolution in writing signed by all members shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.
- (vii) article 89A has been renumbered as Article 90(c).

(k) Untraced Members

Articles 158 and 159 of the existing Articles have been renumbered as Article 91 and has been amended to expressly set out in detail the conditions which the Company must comply with before entitling to sell any Share of a member.

(l) Board of Directors

- (i) Article 95(c) (previously numbered as article 93(c)) has been amended particularly to expressly provide that any Director attending meeting as an alternate for more than one Director shall be counted in the quorum separately in respect of himself and in respect of each Director for whom he is an alternate.
- (ii) Article 97 (previously numbered as article 95) has been amended to expressly provide that the remuneration of the Directors may also be determined by the Board.
- (iii) Article 102(b) (previously numbered as article 100(b)) has been amended to expressly set out in detail circumstances in which Directors may contract with the Company and such Director shall not vote or be counted in the quorum on any resolution of the Board approving such contract with the exception of those set out in Article 102(b)(ii).

(m) Rotation of Directors

- (i) Article 103 (previously numbered as article 101) has been amended to expressly set out that each Director, including those appointed for a specific term, will be subject to retirement by rotation at least once every three years at the annual general meeting.
- (ii) Article 107 has been added to expressly provide that the Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the Board.

(n) Removal of Directors

Article 110 (previously numbered as article 107) has been amended to expressly provide that any vacancy created by the removal of Director, if not filled at the general meeting at which he is removed, may be filled as a casual vacancy.

(o) Managing Directors

Article 119 (previously numbered as article 116) has been amended to clarify that a Director appointed as Managing Director, Joint Managing Director, Deputy Managing Director or other Executive Director shall be subject to the provisions as to rotation, resignation and removal as other Directors.

(p) Powers of Directors

The existing article 127 has been renumbered as Article 122.

(q) Chairman

Article 126 (previously numbered as article 122) has been amended to expressly provide that the Directors may also appoint a Director to be the deputy chairman of the Board and if at any meeting the chairman or deputy chairman of the Board is not present within fifteen minutes after the time appointed for holding the meeting, the Directors may choose one of their number to be Chairman of the meeting.

(r) Proceedings of Directors

(i) Article 131 (previously numbered as article 128) has been amended to clarify that the Directors shall have the power to remunerate the members of any committee of the Board.

(ii) Article 135 (previously numbered as article 132) has been amended to expressly provide that unless required otherwise by the Listing Rules, a resolution in writing signed by three quarters of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held. A written notification of confirmation of such resolution in writing sent by a Director shall be deemed to be his signature to such resolution in writing.

(s) Minutes

Article 136 has been added to expressly provide that the Board shall cause minutes to be made of all appointments of officers made by the Board, the names of the Directors present and all resolutions and proceedings at each meeting of the Board and of committees of the Board.

(t) President

Article 133 has been removed.

(u) Capitalisation of Reserves

Article 145(b) (previously numbered as article 142(b)) has been amended to clarify that whenever a resolution to capitalise any part of the Company's reserves and profits or undivided profits shall have been passed the Board shall make all appropriations and applications of the reserves or profits and undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares, debentures, or other securities and generally shall do all acts and things required to give effect thereto. The Board may settle any difficulty which may arise in regard to a capitalisation issue as it thinks fit, and in particular may issue fractional certificates, may fix the value for distribution of any specific assets, and may determine that cash payments shall be made to any members in lieu of fractional certificates or that fractions of such value as the Board may determine may be disregarded in order to adjust the rights of all parties. The provisions of the Companies Ordinance in relation to the filing of contracts for allotment shall be observed and, the Board may appoint any person to sign on behalf of the person entitled to share in a capitalisation issue and such appointment shall be effective and binding upon all concerned, and the contract may provide for the acceptance by such persons of the Shares, debentures or other securities to be allotted and distributed to them respectively in satisfaction of their claims in respect of the sum so capitalised.

(v) Dividends and Reserves

(i) Article 158(b) has been added to expressly provide that if any cheques, warrants or orders for dividend or other moneys payable in respect of a Share sent by the Company to a person are left uncashed on two consecutive occasions or is returned to the Company undelivered on one occasion, the Company shall not be obliged to send any dividends or other moneys payable to that person until he notifies the Company of an address to be used for the purpose.

(ii) The existing article 149 has been renumbered as Article 160.

(w) Annual Returns

Article 162 has been added to expressly provide that the Board shall make the requisite annual returns in accordance with the Companies Ordinance.

(x) Audit

Article 168 (previously numbered as article 166) has been amended to clarify that the Company may in general meeting delegate the fixing of the remuneration of auditors to the Board.

(y) Notices

(i) Article 170 (previously numbered as article 168) has been amended to clarify that notice served by the Company in electronic means must be in such manner in accordance with the Companies Ordinance and the Listing Rules.

- (ii) Article 171 (previously numbered as article 169) has been amended to clarify that a member who has no registered address in Hong Kong shall be deemed to have received any notice which shall have been displayed at the registered office of the Company and shall have remained there for the space of twenty-four hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed.

(z) Documents

The existing article 176 has been removed.

(aa) Winding up

- (i) Article 178 (previously numbered as article 177) has been amended to clarify that if the Company shall be wound up, the surplus assets remaining after payment to all creditors shall be divided among the members in proportion to the capital paid up on the Shares held by them respectively, and if such surplus assets shall be insufficient to repay the whole of the paid up capital, they shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up on the Shares held by them respectively, but all subject to the rights of any Shares which may be issued on special terms and conditions.
- (ii) Article 179 (previously numbered as article 178) has been amended to clarify that if the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the sanction of a special resolution and any other sanction required by the Companies Ordinance, divide among the members in specie or kind the whole or any part of the assets of the Company and whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any Shares or other assets upon which there is a liability.

(bb) Indemnity

Article 181(a) (previously numbered as article 180(a)) has been amended to expressly clarify that no Director or other officer of the Company shall be indemnified for any liability in respect of negligence, default, breach of duty or breach of trust of which he may be guilty in relation to the Company or related Company.

1. The chairman of the AGM will demand a poll for all resolutions put to the vote of the AGM pursuant to the Articles.
2. The registrar of the Company, Tricor Secretaries Limited, will be appointed the scrutineer for counting votes.
3. Every Shareholder (either present in person or by proxy or being a corporation represented by a duly authorized representative) shall have one vote for every fully paid Share he or she holds.
4. Every Shareholder (either present in person or by proxy or being a corporation represented by a duly authorized representative) who attends the AGM will be given a voting paper upon registration of attendance at the AGM.
5. The Shareholder (either present in person or by proxy or being a corporation represented by a duly authorized representative) shall complete the voting paper by filling in his or her name or the name of the Shareholder he or she is representing, the number of Shares held by him or her or the Shareholder, and the number of votes cast for or against each resolution. A shareholder who is entitled to more than one vote does not have to use all his or her votes or to cast all his or her votes the same way. Thereafter, the Shareholder shall sign the voting paper and return the same to the scrutineer.
6. The scrutineer will count the votes and submit a scrutineer's certificate to the chairman of the AGM.
7. The poll results of the AGM will be announced at the AGM and thereafter published on the websites of the Company and the Stock Exchange in accordance with the requirements of the Main Board Listing Rules.

NOTICE OF AGM



(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 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 18 June 2010 at 10:45 a.m. (or immediately after the closing of the EGM (as defined in the circular of the Company dated 18 May 2010)) 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 2009.
2. To declare a final dividend, if any.
3.
 - (a) To re-elect Mr. Goh Joo Chuan as director.
 - (b) To re-elect Mr. Ming Cheng as director.
 - (c) To re-elect Mr. Lee Seng Huang as director.
 - (d) To re-elect Mr. David Craig Bartlett 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;

NOTICE OF AGM

- (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;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued 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 rights of subscription or conversion under the terms of 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 nominal amount of the share capital of the Company 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

NOTICE OF AGM

- (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 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 on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the Shares 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 nominal amount of the Shares 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 nominal amount of the Shares in issue at the date of the passing of this Resolution, 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

NOTICE OF AGM

(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.”

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 additional Shares pursuant to Resolution A above be and is hereby extended by the addition thereto an amount representing the aggregate nominal amount of the Shares repurchased by the Company under the authority granted pursuant to Resolution B above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of this Resolution.”

6. As special business, to consider, and if thought fit, pass with or without amendments, the following resolution as a special resolution:

SPECIAL RESOLUTION

“**THAT**, the new articles of association (the “New Articles”) of the Company, a copy of which has been produced to the meeting marked “A” and for identification purpose signed by the Chairman of the Meeting, be and is hereby approved and adopted in substitution for and to the exclusion of the existing articles of association of the Company with immediate effect after the close of this Meeting and that the directors of the Company be and are hereby authorised to do all things necessary to implement the adoption of the New Articles.”

By order of the Board
Sun Hung Kai & Co. Limited
Joseph Tong Tang
Executive Director

Hong Kong, 18 May 2010

Notes:

1. 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/her stead. A proxy need not be a member of the Company but must be present in person to represent the member.
2. 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/she 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.

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3. 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 at 26/F, 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.
4. Concerning Resolution No. 5A above, the Directors wish to state that in respect of this general mandate, other than an intention to give effect to and to implement the transactions contemplated by the Subscription Agreement (as defined in the circular of the Company dated 18 May 2010), 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.
5. 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 Shares representing up to a maximum of 10% of the issued share capital of the Company at the date of the passing of the resolution.