

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



新鴻基有限公司

SUN HUNG KAI & CO. LIMITED

(Incorporated in Hong Kong with limited liability)

ANNOUNCEMENT

The public float of the Company has fallen below 25% of the Shares in issue. The Board and the Company will consider all available options in the interests of its shareholders for arranging that a sufficient public float exists for the Shares in issue within one month from the date of this announcement. An application has been made to the Stock Exchange requesting a temporary waiver for a period of one month from the date of this announcement from the provisions of Rule 8.08 of the Listing Rules.

Sun Hung Kai & Co. Limited (the “Company”) was recently made aware by a filing of interests under the Securities (Disclosure of Interests) Ordinance (“SDI Ordinance”) by the Company’s controlling shareholder, AP Emerald Limited (“AP Emerald”), that it had acquired interests in an additional 114,950,676 shares of HK\$0.20 each in the Company (“Shares”) on 10 August 2002. As a result, AP Emerald’s attributable interest in the Company has increased from approximately 54.02% to approximately 61.67%. According to the register kept by the Company as at 20 September 2002 pursuant to section 16 of the SDI Ordinance, a substantial shareholder of the Company, China Online (Bermuda) Limited (“COBL”), holds 17.03% of the Shares. AP Emerald and COBL in aggregate therefore hold approximately 78.7% of Shares.

Accordingly and based on the latest record on the Company’s register kept under section 16 of the SDI Ordinance, the percentage of Shares that remains in public hands has fallen from approximately 28.95% to approximately 21.3%. As a result, the percentage of Shares held in public hands is now below the minimum prescribed percentage of 25% stipulated in Rule 8.08 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “Listing Rules” and the “Stock Exchange” as appropriate) and the Stock Exchange has indicated that it reserves the right to take any disciplinary action considered appropriate. An application has been made to the Stock Exchange requesting a temporary waiver for a period of one month from the date of this announcement from the provisions of Rule 8.08 of the Listing Rules.

The directors of the Company (the “Board”) became aware of the shortfall in the public float on 13 September. The Board has indicated that it intends to investigate and evaluate the taking of appropriate steps to restore the minimum 25% of issued shares of the Company to public hands within one month from the date of publication of this announcement. The Board intends to consider all available options to increase the percentage of public float, including for example by way of an issuance of new shares, or requesting either of its substantial shareholders to dispose of some of their respective shareholding in the Company. A further announcement will be made to update the shareholders of the Company on the progress of the measures to be taken by the Board and the Company.

The Board is attempting to resolve the issue of maintaining the minimum 25% public float in a manner which is in the interests of all its shareholders and a further announcement may be made in this respect in due course.

The Stock Exchange has stated that if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or**
- (b) there are insufficient Shares in public hands to maintain an orderly market,**

it will consider exercising its discretion to suspend trading in the Shares.

Shareholders of the Company and investors are advised to take caution in dealing in the Shares.

By Order of the Board of
Sun Hung Kai & Co. Limited
Hester Wong Lam Chun
Company Secretary

Hong Kong, 24 September 2002

“Please also refer to the published version of this announcement in The Standard”.