

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)

(Stock Code: 86)

HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made at the request of the Stock Exchange. The Board has recently been informed by the Stock Exchange on the basis of information provided by the SFC, that there was a concentration of Shares in the hands of a relative small number of shareholders as at 5 July 2006. In view of the high concentration of shareholding in a small number of shareholders, holders of the securities of the Company and potential investors should be aware that the price of the Shares could fluctuate substantially even with a small number of the Shares traded. **Holders of the securities of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The board (the “Board”) of directors (the “Directors”) of Sun Hung Kai & Co. Limited (the “Company”) has recently been informed by the Stock Exchange that on the basis of information provided by the Securities and Futures Commission (the “SFC”), 17 shareholders held an aggregate of 231,803,862 shares in the Company (the “Shares”) (representing approximately 18.61% of the total issued share capital of the Company as at 5 July 2006). Such shareholdings, together with the Shares held by two substantial shareholders, namely Allied Properties (H.K.) Limited (“Allied Properties”) which held 765,198,892 Shares (representing approximately 61.43% of the total issued share capital of the Company as at 5 July 2006) and Penta Investment Advisers Limited (“Penta”) which held 149,498,000 Shares (representing approximately 12% of the total issued share capital of the Company as at 5 July 2006) represented approximately 92.04% of the total issued share capital of the Company as at 5 July 2006. As such, the Shares held by other shareholders only accounted for approximately 7.96% of the total issued share capital of the Company as at 5 July 2006.

According to the information provided by the SFC (which information is a matter of public record), during the period from January 2006 to mid-March 2006, the closing price of the Shares hovered between HK\$2.15 and HK\$3.225. Since 20 March 2006, the closing price of the Shares trended upwards and went up by 143.4% from HK\$3.225 on 17 March 2006 to HK\$7.85 on 11 May 2006 after touching a high of HK\$8.70 on 4 May 2006. Trading of the Shares was suspended on 12 May 2006 and resumed on 18 May 2006 after the announcement of a top-up subscription of 248,000,000 Shares supported by a placement by a wholly-owned subsidiary of Allied Properties at HK\$7.00 per Share (the “Top-up Placement”). The 248,000,000 Shares to be placed by the wholly-owned subsidiary of Allied Properties were divided into two portions, including 169,000,000 Shares placed under the 1st Placing (as defined in a joint announcement of the Company, Allied Group Limited and Allied Properties dated 18 May 2006 (the “Top-up Placement Announcement”)) and the remaining 79,000,000 Shares to be placed under the 2nd Placing (as defined in the Top-up Placement Announcement). The 1st Placing was completed on 22 May 2006 and the 2nd Placing and the subscription for new Shares would be considered in an extraordinary general meeting of the Company to be held on 1 August 2006.

The Directors wish to clarify that as the above information is provided by the SFC, the Company is not in a position to verify or comment on the accuracy of such information except as regards the Top-up Placement and the disclosure by Penta. In any event, the Directors confirm that, based on the information made available, the Directors believe that to the best of their knowledge and belief on the information available to them, the Company is able to comply with the public float requirement under the Rules Governing the Listing of Securities of the Stock Exchange (the “Listing Rules”).

The Directors confirm that, in their opinion, they are not aware of any other matter discloseable under Rules 13.09 or 13.23 of the Listing Rules save for the disclosures made by the Company in 2006 and that all the necessary and appropriate disclosures regarding the movements of the prices of the Shares in 2006 and the Top-up Placement have been made known to the public by the Company in compliance with the Listing Rules.

The Company makes this announcement to keep the market informed at the request of the Stock Exchange. In view of the high concentration of shareholding in a small number of shareholders, holders of the securities of the Company and potential investors should be aware that the price of the Shares could fluctuate substantially even with a small number of the Shares traded. **Holders of the securities of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

On behalf of the Board
Sun Hung Kai & Co. Limited
Joseph Tong Tang
Executive Director

Hong Kong, 27 July 2006

As at the date of this announcement, the board of directors of the Company comprises Messrs. Patrick Lee Seng Wei and Joseph Tong Tang being the executive directors, Mr. Arthur George Dew (Chairman) being a non-executive director, and Messrs. David Craig Bartlett, Alan Stephen Jones, Carlisle Caldwell Procter and Peter Wong Man Kong being the independent non-executive directors.

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