新鴻基有限公司
SUN HUNG KAI & CO. LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 86)

PROFIT WARNING

This announcement is made by Sun Hung Kai & Co. Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform the shareholders of the Company and potential investors that based on the information currently available to the management of the Company and the preliminary review of the Group's unaudited consolidated management accounts for the six months ended 30 June 2016 ("the "**Management Accounts**"), the unaudited consolidated profit for the six months ended 30 June 2016 will show a significant decrease as compared to the unaudited consolidated profit for the corresponding period in 2015. The primary reasons for the decrease are as follows: (1) during the six months ended 30 June 2015 there was a one time gain of HK$3,033 million from the sale of 70% of the Sun Hung Kai Financial Group Limited ("**SHKFGL**") business to Everbright Securities Financial Holdings Limited; (2) as a result of this sale, the Company's share of the profit from the SHKFGL business reduced from 100% to 30%. In addition, the profit for the period from continuing operations has decreased by approximately 50% as a result mainly of (3) net mark-to-market losses from financial investments in the Principal Investments segment in the context of weaker financial markets during the period and (4) the continuing difficult operating environment for the Group's consumer finance business in Mainland China.

As the Company is in the process of preparing the interim results of the Group for the six months ended 30 June 2016, the information contained in this announcement is only based on the preliminary review of the Management Accounts which have not been reviewed or audited by the auditor of the Company. The Company expects to announce its unaudited interim results for the six months ended 30 June 2016 in August 2016.

Shareholders 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
Peter Anthony Curry
Executive Director

Hong Kong, 22 July 2016

As at the date of this announcement, the Board comprises:

Executive Directors:
Messrs. Lee Seng Huang *(Group Executive Chairman)*, Simon Chow Wing Charn and Peter Anthony Curry

Non-Executive Director:
Mr. Jonathan Andrew Cimino *(Joseph Kamal Iskander as his alternate)*

Independent Non-Executive Directors:
Mr. David Craig Bartlett, Mr. Alan Stephen Jones, Ms. Jacqueline Alee Leung and Mr. Peter Wong Man Kong