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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 of directors (the “Board”) of the Company wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that based on the information currently available to management of the Company and a preliminary review and assessment of the Group’s latest unaudited consolidated management accounts for the six months ended 30 June 2020 (the “Management Accounts”), the unaudited consolidated profit attributable to the owners of the Company for the six months ended 30 June 2020 is expected to show a significant decrease by approximately 50% as compared to the unaudited consolidated profit attributable to the owners of the Company for the corresponding period in 2019. The primary reasons for the decrease are mark-to-market losses in financial instruments in the Company’s Investing Business as a result of significant market volatility, as well as lower interest income and higher provisions for expected credit losses for the Group’s Lending Business during the on-going COVID-19 situation and market conditions. The Company has increased liquid assets and reduced investments and lending since the beginning of 2020 which has prudently reduced risk however has resulted in a drag on earnings.

As the Company is in the process of preparing the interim results of the Group for the six months ended 30 June 2020, the information contained in this announcement is only based on management’s preliminary review of the Management Accounts which have not been reviewed by the auditor or the Audit Committee of the Company. The Company expects to announce its unaudited interim results for the six months ended 30 June 2020 in August 2020.

Shareholders 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
Simon Chow Wing Charn
Executive Director

Hong Kong, 22 July 2020

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

Executive Directors:

Messrs. Lee Seng Huang (Group Executive Chairman) and Simon Chow Wing Charn

Non-Executive Directors:

Messrs. Peter Anthony Curry and Jonathan Andrew Cimino

Independent Non-Executive Directors:

Mr. Evan Au Yang Chi Chun, Mr. David Craig Bartlett, Mr. Alan Stephen Jones and Ms. Jacqueline Alee Leung