

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered 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 Properties Limited** (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited (“the Stock Exchange”) takes no responsibility for the contents of this circular, 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 circular.

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## **SUN HUNG KAI PROPERTIES LIMITED**

*(incorporated in Hong Kong with limited liability under the Companies Ordinance)*

### **NOTICE OF ANNUAL GENERAL MEETING**

**together with**

### **EXPLANATORY STATEMENT**

**in respect of**

### **GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES**

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A notice convening the 2003 annual general meeting of the Company to be held at 53rd Floor, Sun Hung Kai Centre, 30 Harbour Road, Hong Kong on Tuesday, 18th November 2003 at 12:00 noon is set out on pages 8 to 11 of this circular.

Whether or not you are able to attend the meeting, please complete and return the relevant form of proxy accompanying this circular in accordance with the instructions printed thereon to the Share Registrars of the Company, Computershare Hong Kong Investor Services Limited at 19th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and, in any event, not later than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

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# LETTER FROM THE CHAIRMAN AND CHIEF EXECUTIVE

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## SUN HUNG KAI PROPERTIES LIMITED

*(incorporated in Hong Kong with limited liability under the Companies Ordinance)*

*Directors:*

Kwok Ping-sheung, Walter

*(Chairman & Chief Executive)*

# Lee Shau-kee

*(Vice Chairman)*

Kwok Ping-kwong, Thomas

*(Vice Chairman & Managing Director)*

Kwok Ping-luen, Raymond

*(Vice Chairman & Managing Director)*

\* Chung Sze-yuen

\* Woo Po-shing

\* Fung Kwok-king, Victor

\* Kwan Cheuk-yin, William

# Lo Chiu-chun, Clement

# Law King-wan

Chan Kai-ming

Chan Kui-yuen, Thomas

Kwong Chun

Wong Yick-kam, Michael

Wong Chik-wing, Mike

So Hing-woh, Victor

\* Woo Ka-biu, Jackson

*(Alternate Director to Woo Po-shing)*

# *Non-Executive Director*

\* *Independent Non-Executive Director*

*Company Secretary:*

Lai Ho-kai, Ernest

*Registered Office:*

45th Floor

Sun Hung Kai Centre

30 Harbour Road

Hong Kong

27 October 2003

### **PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE ITS OWN SHARES**

*To Shareholders*

Dear Sir or Madam,

At the annual general meeting of the Company held on 5th December 2002, resolutions were passed giving general mandates to the Directors to allot, issue and deal with the ordinary

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## LETTER FROM THE CHAIRMAN AND CHIEF EXECUTIVE

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shares of the Company (“Shares”) and to exercise the powers of the Company to repurchase its own Shares in accordance with the relevant rules set out in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“the Listing Rules”) and the Hong Kong Code on Takeovers and Mergers (“the Takeover Code”) (together “the Share Repurchase Rules”). These general mandates will lapse at the conclusion of the forthcoming annual general meeting of the Company for 2003 (“Annual General Meeting”) unless renewed at that meeting. It is therefore proposed to renew the general mandates to allot, issue and deal with Shares and to repurchase Shares at the Annual General Meeting.

### **1. GENERAL MANDATE TO ISSUE SHARES**

At the Annual General Meeting, ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, approve a general mandate to the Directors to exercise the power of the Company to allot, issue and deal with the Shares (“the Share Issue Mandate”). The Shares which may be allotted and issued pursuant to the Share Issue Mandate is up to 20% of the issued share capital of the Company on the date of passing the resolution approving the Share Issue Mandate. In addition, ordinary resolution will also be proposed for the Shareholders to consider and, if thought fit, approve the extension of the Shares Issue Mandate by adding to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Share Issue Mandate the number of Shares purchased under the Share Repurchase Mandate stating below, if granted.

Details of the Share Issue Mandate and the extension of the Share Issue Mandate are respectively set out in the ordinary resolutions nos. 6 and 7 in the Notice of the Annual General Meeting set out on pages 9 to 10 of this circular. These mandates will expire whichever is the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or by the laws of Hong Kong to be held; and (c) the date on which the authority given under the ordinary resolution is revoked or varied by an ordinary resolution of the Shareholders.

### **2. GENERAL MANDATE TO REPURCHASE SHARES**

At the Annual General Meeting, ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, approve a general mandate to the Directors to exercise the power of the Company to repurchase Shares (“the Share Repurchase Mandate”). The Shares which may be repurchased pursuant to the Share Repurchase Mandate are up to 10% of the issued share capital of the Company on the date of passing the resolution approving the Share Repurchase Mandate.

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## LETTER FROM THE CHAIRMAN AND CHIEF EXECUTIVE

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As at 25th September 2003, the latest practicable date (“the Latest Practicable Date”), the issued share capital of the Company comprised 2,400,907,362 Shares. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the date of passing the resolution approving the Share Repurchase Mandate, the maximum number of Shares which may be repurchased pursuant to the Share Repurchase Mandate on the date of passing the resolution approving the Share Repurchase Mandate will be 240,090,736 Shares.

An explanatory statement as required under the Share Repurchase Rules, giving certain information regarding the Share Repurchase Mandate together with the details of the repurchases of Shares made by the Company during the previous six months preceding the Latest Practicable Date, are set out in the Appendix to this circular. The Share Repurchase Mandate will expire whichever is the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or by the laws of Hong Kong to be held; and (c) the date on which the authority given under the ordinary resolution is revoked or varied by an ordinary resolution of the Shareholders.

### **3. RESPONSIBILITY STATEMENT**

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, statements of fact expressed herein are true, accurate and not misleading, statements of opinion expressed herein have been arrived at after due and careful consideration and there are no other facts not contained in this circular the omission of which would make any statement herein misleading.

### **4. NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting to be held at 53rd Floor, Sun Hung Kai Centre, 30 Harbour Road, Hong Kong on Tuesday, 18th November 2003 at 12:00 noon is set out on pages 8 to 11 of this circular. At the Annual General Meeting, ordinary resolutions will be proposed to approve the Share Issue Mandate and the Share Repurchase Mandate.

### **5. ACTION TO BE TAKEN**

A proxy form for use at the Annual General Meeting is enclosed. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company’s

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## LETTER FROM THE CHAIRMAN AND CHIEF EXECUTIVE

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Share Registrars, Computershare Hong Kong Investor Services Limited at 19th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the meeting. Completion and return of the proxy form will not prevent shareholders from attending and voting at the Annual General Meeting if they so wish.

### **6. RECOMMENDATION**

The Directors believe that the grant of the Share Issue Mandate and Share Repurchase Mandate to be proposed at the Annual General Meeting are in the best interests of the Company and the Shareholders. Accordingly, the Board recommends the Shareholders should vote in favour of the resolutions in relation to the above proposals to be proposed at the Annual General Meeting.

Yours faithfully,  
**Kwok Ping-sheung, Walter**  
*Chairman & Chief Executive*

*The following is the Explanatory Statement required to be sent to Shareholders under the Listing Rules in connection with the proposed general mandate for repurchase of Shares and also constitutes the memorandum under section 49BA of the Companies Ordinance. References in this statement to “Shares” means shares of all classes in the capital of the Company.*

**(a) Listing Rules**

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their fully-paid up shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised below.

**(b) Shareholders’ approval**

The Listing Rules provide that all on-market share repurchases by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by specific approval of a particular transaction or by a general mandate to the directors of the company to make such repurchases.

**(c) Exercise of the Share Repurchase Mandate**

As at the Latest Practicable Date, there were 2,400,907,362 Shares in issue. Subject to the passing of the ordinary resolution no. 5 and on the basis that no further Shares are issued or no Shares are repurchased prior to the Annual General Meeting, the Company would be allowed under the Share Repurchase Mandate to repurchase a maximum of 240,090,736 Shares.

**(d) Reasons for the Repurchase of Shares**

The Directors believe that the Share Repurchase Mandate is in the best interest of the Company and the Shareholders. Repurchases may, depending on the circumstances, result in an increase in net assets and/or earnings per share. The Directors are seeking the grant of a general mandate to repurchase Shares to give the Company flexibility to do so if and when appropriate. The timing and the number(s), the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

**(e) Source of Funds**

Repurchases must be made out of funds which are legally available for such purpose in accordance with the Company’s memorandum and articles of association and the laws of Hong Kong. It is envisaged that the funds required for any repurchase would be derived from the distributable profits of the Company.

There could be adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the financial year ended 30th June 2003) in the event that the proposed share repurchases were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the general mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or its gearing level.

**(f) Share Prices**

The monthly highest and lowest prices at which the Shares had traded on the Stock Exchange during the 12 months preceding the Latest Practicable Date were as follows:

|             | <b>Shares</b>  |               |
|-------------|----------------|---------------|
|             | <b>Highest</b> | <b>Lowest</b> |
|             | <i>HK\$</i>    | <i>HK\$</i>   |
| <b>2002</b> |                |               |
| October     | 51.50          | 44.70         |
| November    | 54.50          | 48.30         |
| December    | 53.25          | 45.50         |
| <b>2003</b> |                |               |
| January     | 47.90          | 44.00         |
| February    | 46.50          | 43.30         |
| March       | 44.70          | 37.30         |
| April       | 38.80          | 33.30         |
| May         | 39.50          | 36.20         |
| June        | 42.50          | 38.80         |
| July        | 46.70          | 38.40         |
| August      | 57.25          | 44.80         |
| September   | 65.00          | 54.25         |

**(g) Undertaking**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Repurchase Mandate in accordance with the Share Repurchase Rules, the laws of Hong Kong and the memorandum and articles of association of the Company.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intends to sell Shares to the Company or its subsidiaries in the event that the Share Repurchase Mandate is approved by the Shareholders.

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell the Shares to the Company, or has undertaken not to do so in the event that the Company is authorised to make repurchases of Shares.

**(h) The Takeover Code**

If as a result of repurchase of Shares by the Company, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeover Code. Accordingly, a shareholder, or group of shareholders acting in concert, could obtain or consolidate control of the Company or become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeover Code. The Directors are not aware of any shareholder or group of shareholders acting in concert who will become obliged to make a mandatory offer as result of a repurchase of Shares.

**(i) Shares purchased by the Company**

No purchase has been made by the Company of its shares in the six months prior to the date of this circular.



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## NOTICE OF ANNUAL GENERAL MEETING

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### SUN HUNG KAI PROPERTIES LIMITED

*(incorporated in Hong Kong with limited liability under the Companies Ordinance)*

**NOTICE IS HEREBY GIVEN** that the Thirty-first Annual General Meeting of the shareholders of Sun Hung Kai Properties Limited (the “Company”) will be held at 53rd Floor, Sun Hung Kai Centre, 30 Harbour Road, Hong Kong on Tuesday, 18th November 2003 at 12:00 noon for the following purposes:—

1. To receive and consider the report of Directors and the audited accounts for the year ended 30th June 2003.
2. To declare the final dividend.
3. To re-elect Directors and fix their remuneration.
4. To re-appoint auditors and authorise the Directors to fix their remuneration.

As special business, to consider and, if thought fit, to pass the following ordinary resolutions:

5. **“THAT:**
  - (a) the exercise by the Directors during the Relevant Period of all the powers of the Company to repurchase shares of the Company be and it is hereby generally and unconditionally approved;
  - (b) the aggregate nominal amount of the shares which may be repurchased on The Stock Exchange of Hong Kong Limited or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Hong Kong Codes on Share Repurchases pursuant to the approval in paragraph (a) above shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution.
  - (c) for the purpose of this Resolution:—

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:—

- (i) the conclusion of the next Annual General Meeting of the Company; or

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## NOTICE OF ANNUAL GENERAL MEETING

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- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by its articles of association or by the laws of Hong Kong to be held; or
- (iii) the revocation or variation of the authority given to the Directors under this Resolution by passing of an ordinary resolution by the shareholders in general meeting.”

6. **“THAT:**

- (a) subject to paragraph (c) of this Resolution, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements, options and warrants which might require the exercise of such power be and it is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements, options and warrants 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) by the Directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to, (i) a Rights Issue, (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed the aggregate of:-
  - (aa) 20 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution plus;
  - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10 per cent 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.

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## NOTICE OF ANNUAL GENERAL MEETING

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(d) for the purpose of this Resolution:—

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest 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 its articles of association or by the laws of Hong Kong to be held; or
- (iii) the revocation or variation of the authority given to the Directors under this Resolution by passing of an ordinary resolution by the shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or legal or practical problems having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

- 7. “**THAT** the Directors of the Company be and they are hereby authorised to exercise the powers of the Company referred to in paragraph (a) of the resolution set out as Resolution No. 6 in the notice convening this Meeting in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”
- 8. To transact any other ordinary business.

By Order of the Board  
**Lai Ho-kai, Ernest**  
*Company Secretary*

Hong Kong, 25th September 2003

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

- (1) With reference to Resolutions 5, 6 and 7 set out in the Notice of the Annual General Meeting, the Directors wish to state that they have no immediate plans to repurchase any existing shares or to issue any new shares or warrants pursuant to the relevant mandate.
- (2) The Register of Members will be closed from Tuesday, 11th November 2003 to Tuesday, 18th November 2003 (both days inclusive). In order to establish entitlements to the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Monday, 10th November 2003.
- (3) Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company. All proxies must be deposited with the Share Registrars, Computershare Hong Kong Investor Services Limited, 19th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the meeting.



# SUN HUNG KAI PROPERTIES LIMITED

(incorporated in Hong Kong with limited liability under the Companies Ordinance)

27 October 2003

**Dear Sir or Madam,**

Pursuant to our letter dated 27th January 2003 and your subsequent reply to us/the default arrangement as mentioned therein (as appropriate), we send you herewith the Corporate Communication in the printed form as you so directed. You are however advised that the Corporate Communications prepared in Website Form and in other language will be available upon request.

If you wish to receive Corporate Communications still in printed form but in other language, please send your notification of new choice to our Share Registrars, Computershare Hong Kong Investor Services Limited, by using the attached pre-paid envelope\*.

Both the English and Chinese versions of the Corporate Communications as well as the public announcements are made available on our website [www.shkp.com](http://www.shkp.com). Shareholders who choose to receive the Website Form may sign and return the attached reply slip and supply their email address using the attached pre-paid envelope\* to our Share Registrars. The Registrar will then send you an email notification on the same day each time the Corporate Communication is posted on our website.

The altered choice shall become effective 10 business days from the date of receipt of your notification by our Share Registrars. ***PLEASE IGNORE THIS LETTER if you do not have intention to change the choice of form and/or language as previously conveyed to us.*** Should you have any query relating to this letter, please call the Company's hotline at 2828 8648.

Yours faithfully,

**Lai Ho-kai, Ernest**  
Company Secretary

\* Postage pre-paid is only applicable to shareholders of a registered address within Hong Kong.

## REPLY SLIP

***PLEASE IGNORE THIS LETTER if your choice of form and/or language remains the same as previously conveyed to us.***

To: Computershare Hong Kong Investor Services Limited

I/We would like to receive the Corporate Communications of **Sun Hung Kai Properties Limited in Website Form instead of printed form.**

(My/Our email address is : \_\_\_\_\_)

Signature : \_\_\_\_\_

Name of Shareholder : \_\_\_\_\_

Date : \_\_\_\_\_

Contact Phone No. : \_\_\_\_\_