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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult an exchange participant or other licensed dealer in securities, bank manager, solicitor, certified public accountant or other professional adviser.

**If you have sold or transferred** all your shares in Sun Hung Kai & Co. Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, or other licensed dealer in securities or other agent through whom the sale or the transfer was effected for onward transmission to the purchaser(s) or transferee(s).

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**PROPOSALS FOR RE-ELECTION OF DIRECTORS,**

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

**AND**

**NOTICE OF ANNUAL GENERAL MEETING**

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*A notice convening the annual general meeting of Sun Hung Kai & Co. Limited (the "Company") to be held at Plaza 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 24 May 2018 at 10:00 a.m. is set out on pages 18 to 22 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof if you so wish.*

20 April 2018



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## DEFINITIONS

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*In this circular (other than in the notice of AGM), unless the context otherwise requires, the following expressions shall have the following meanings:*

“AGM”	the annual general meeting of the Company to be held at Plaza 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 24 May 2018 at 10:00 a.m. or any adjournment thereof
“Articles”	the articles of association of the Company
“Board”	board of Directors
“Companies Ordinance”	Companies Ordinance, Chapter 622 of the Laws of Hong Kong
“Company”	Sun Hung Kai & Co. Limited, a company incorporated in Hong Kong with limited liability, the securities of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company together with its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	12 April 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)

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## DEFINITIONS

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“SHK EOS”	The SHK Employee Ownership Scheme adopted by the Company on 18 December 2007 to recognize the contributions and award shares in the Company to selected employees or directors of the Group
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“2017 Annual Report”	annual report of the Company for the year ended 31 December 2017
“%”	per cent



新鴻基有限公司

SUN HUNG KAI & CO. LIMITED

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 86)**

***Executive Directors:***

Lee Seng Huang (*Group Executive Chairman*)

Simon Chow Wing Charn

Peter Anthony Curry

***Registered Office:***

42/F, Lee Garden One

33 Hysan Avenue

Causeway Bay

Hong Kong

***Non-Executive Director:***

Jonathan Andrew Cimino

***Independent Non-Executive Directors:***

Evan Au Yang Chi Chun

David Craig Bartlett

Alan Stephen Jones

Jacqueline Alee Leung

Peter Wong Man Kong

20 April 2018

*To the Shareholders*

Dear Sir/Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,**

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

**AND**

**NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM relating to, among other things, (i) the re-election of Directors; and (ii) the granting to the Directors of general mandates to issue securities of the Company and repurchase Shares up to 20% and 10% respectively of the total number of Shares in issue as at the date of passing of such resolutions.

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## LETTER FROM THE BOARD

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### RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of nine Directors, namely Messrs. Lee Seng Huang, Simon Chow Wing Charn, Peter Anthony Curry, Jonathan Andrew Cimino, Evan Au Yang Chi Chun, David Craig Bartlett, Alan Stephen Jones, Peter Wong Man Kong and Ms. Jacqueline Alee Leung.

Pursuant to Article 94 of the Articles, the Board shall have the power from time to time, and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting. Pursuant to Article 103 of the Articles, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office such that each Director (including those appointed for a specific term) will be subject to retirement by rotation at least once every three years at the annual general meeting, provided always that any Director appointed pursuant to Article 94 shall not be taken into account in determining the Directors who are to retire by rotation at such meeting. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election.

Pursuant to Article 94 of the Articles, Mr. Evan Au Yang Chi Chun being the Director appointed by the Board effective 22 March 2018, shall hold office only until the forthcoming AGM and being eligible, offer himself for re-election and pursuant to Article 103 of the Articles, Mr. Simon Chow Wing Charn, Mr. Jonathan Andrew Cimino and Mr. Peter Wong Man Kong shall retire at the AGM by rotation and being eligible, offer themselves for re-election at the AGM.

Pursuant to code provision A.4.3 of Appendix 14 of the Listing Rules, any further appointment of independent non-executive director serving more than nine years should be subject to a separate resolution to be approved by shareholders. Mr. Peter Wong Man Kong is an Independent Non-Executive Director serving the Company for more than nine years. The Board considers that Mr. Peter Wong Man Kong continues to be independent as he has satisfied all the criteria for independence set out in Rule 3.13 of the Listing Rules. During his office as an Independent Non-Executive Director, he has made positive and valuable contributions to the Company's strategies and policies with independent judgment from his area of expertise. The Board considers that his continued tenure with the Company will continue to bring wide range of valuable insights and expertise to the Board. A separate resolution will be proposed for his re-election at the AGM.

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## LETTER FROM THE BOARD

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### **Biographical Details**

Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any directors proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting. Accordingly, brief biographical details of the retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix I to this circular.

### **Election of Directors other than retiring Directors**

Article 108 of the Articles provides that no person, other than a retiring Director, shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been given to the Company during the period commencing no earlier than the day after the despatch of the notice of the general meeting appointed for such election and ending no later than seven days prior to the date of such general meeting.

Accordingly, if a Shareholder wishes to nominate a person who has not been recommended by the Directors to stand for election as a Director at the AGM, notice in writing of his intention to propose such person for election as a Director and the notice in writing executed by the nominee of his/her willingness to be elected must be validly served at the registered office of the Company at 42/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong on or before 17 May 2018.

If a valid notice from a Shareholder to propose a person to stand for election as a Director at the AGM is received after the printing of this circular, the Company will issue a supplementary circular to inform the Shareholders of the details of the additional candidate proposed.

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

At the last annual general meeting of the Company held on 25 May 2017, ordinary resolutions were passed granting a general mandate authorising the Directors to allot, issue or otherwise deal with additional securities of the Company up to 20% of the total number of Shares in issue as at that date (the "Existing Issue Mandate") and a general mandate authorising the Directors to repurchase Shares up to 10% of the total number of Shares in issue as at that date (the "Existing Repurchase Mandate").

The Existing Issue Mandate and the Existing Repurchase Mandate will expire upon the conclusion of the AGM. The Directors consider that the Existing Issue Mandate and the Existing Repurchase Mandate increase the flexibility in dealing of the Company's affairs and are in the interests of both the Company and the Shareholders as a whole, and that the same shall continue to be adopted by the Company.

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## LETTER FROM THE BOARD

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Following the expiration of the Existing Issue Mandate, new general mandates to allot, issue or otherwise deal with additional securities of the Company of up to 20% and to repurchase Shares up to 10% respectively of the total number of Shares in issue as at the date of passing of the resolutions as set out in Resolutions 4A and 4B respectively of the AGM notice will be proposed at the AGM. A resolution authorising the extension of the general mandate to the Directors to issue securities of the Company to include the total number of such Shares repurchased (if any) under the repurchase mandate is to be proposed as Resolution 4C of the AGM notice at the AGM.

Subject to the passing of the resolution granting the proposed general mandate to issue securities of the Company and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to allot, issue or otherwise deal with Shares up to a maximum of 430,611,898 Shares, being 20% of the total number of Shares in issue as at the Latest Practicable Date.

With reference to the proposed new general mandates, the Directors wish to state that, they have no immediate plans to issue any new securities of the Company.

An explanatory statement containing the particulars required by the Listing Rules to enable the Shareholders to make an informed view on whether to vote for or against Resolution 4B to be proposed at the AGM in relation to the proposed general mandate to repurchase Shares is set out in Appendix II to this circular.

### **AGM**

The notice convening the AGM is set out on pages 18 to 22 of this circular. A copy of the 2017 Annual Report is despatched to the Shareholders together with this circular. Ordinary resolutions in respect of, inter alia, the re-election of Directors and the general mandates to issue securities of the Company and to repurchase Shares will be proposed at the AGM.

A form of proxy for the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the registrar of the Company, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof should you so wish.

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## LETTER FROM THE BOARD

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### VOTING AT THE AGM

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The resolutions to be proposed at the AGM do not relate purely to a procedural or administrative matter. Accordingly, all resolutions to be proposed at the AGM will be put to vote by way of poll.

After conclusion of the AGM, the results of the vote by poll will be announced in accordance with Rule 13.39(5) of the Listing Rules.

### RECOMMENDATION

The Directors consider that the proposed ordinary resolutions for approval of the re-election of the retiring Directors, the re-election of Mr. Peter Wong Man Kong, an Independent Non-Executive Director who has served the Company for more than nine years, and the granting of general mandates to issue securities of the Company and to repurchase Shares, and to add the total number of Shares that may be repurchased to the total number of Shares that may be allotted pursuant to the general mandate to issue securities of the Company are each in the best interests of the Company and the Shareholders as a whole, and accordingly, recommend all Shareholders to vote in favour of the resolutions to be proposed at the AGM.

### GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular. The English text of this circular shall prevail over the Chinese text.

Yours faithfully,  
On behalf of the Board  
**Sun Hung Kai & Co. Limited**  
**Peter Anthony Curry**  
*Executive Director*

*The biographical details of the Directors proposed to be re-elected at the forthcoming AGM are set out as follows:*

**Simon Chow Wing Charn**

*Executive Director*

Mr. Chow, aged 63, was appointed as an Executive Director of the Company on 3 June 2015. He joined the Company as the Group Deputy Chief Executive Officer of the Company in December 2014 and is presently the Chairman of Risk Management Committee and a member of the Executive Committee of the Company.

Mr. Chow has more than 25 years' experience in the banking and financial services industry. Prior to joining the Group, he has been with Citibank for 18 years and his last position was the country manager for China consumer bank of Citibank. Before that, Mr. Chow held senior roles with UBS, Lehman Brothers, British Columbia Hydro and Power Authority and PricewaterhouseCoopers. He is a member of the Institute of the Chartered Accountants of Canada. Mr. Chow holds a Bachelor of Science Degree and a Licentiate in Accounting Degree from the University of British Columbia. He also holds directorship in various subsidiaries of the Company. Mr. Chow did not hold any directorship in any other listed public companies in Hong Kong and overseas during the past three years.

Mr. Chow entered into an employment contract with the Company pursuant to which he is entitled to receive a basic monthly salary, which is presently HK\$243,960 (subject to annual review) and a discretionary bonus based on the performance of the Company. For the year 2017, Mr. Chow was remunerated with salaries and benefits in kind amounted to approximately HK\$2.74 million, and contribution to retirement benefit scheme amounting to approximately HK\$0.13 million. In March 2018, Mr. Chow was awarded a sum of HK\$6.25 million as discretionary bonus for the year 2017 comprising HK\$3.75 million cash and such number of Shares to be awarded under the SHK EOS equivalent to HK\$2.5 million has been approved for granting to Mr. Chow. Mr. Chow is also entitled to an annual director's fee and he received a Director's fee of HK\$20,000 for the year 2017. The remuneration package of Mr. Chow was determined with reference to the prevailing market conditions and also the remuneration benchmark for an executive director and a deputy chief executive officer in the market. The term of Mr. Chow's appointment will continue until terminated by either party by giving to other six months' written notice or payment in lieu. Mr. Chow's appointment is also subject to the provisions of retirement and re-election at the annual general meetings of the Company in accordance with the Articles of Association or any other applicable laws whereby a director shall vacate his office.

As at the Latest Practicable Date, Mr. Chow had interested/deemed interest, within the meaning of Part XV of the SFO, in 1,047,000 Shares arising from the SHK EOS representing 0.049% in the total number of Shares in issue of the Company and had an interest in the 4.65% Guaranteed Notes due September 2022 issued by Sun Hung Kai & Co (BVI) Limited, a wholly-owned subsidiary of the Company, in the amount of US\$400,000.

Save as disclosed above, Mr. Chow did not have any relationship with any Directors, senior management or substantial or controlling Shareholders, nor did he have any interest in the Shares of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date. There are no other matters or information in relation to Mr. Chow that need to be brought to the attention of the Shareholders or to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

**Jonathan Andrew Cimino**

*Non-Executive Director*

Mr. Cimino, aged 65, was appointed as a Non-Executive Director of the Company on 25 January 2016. He is currently the chief executive officer of Dubai Group LLC (the “Dubai Group”) and was formerly the chief operating officer and the managing director of Finance of Dubai Group since 2008. As at the Latest Practicable Date and according to the information available to the Company, the Dubai Group, through Dubai Ventures LLC, is interested in 166,000,000 Shares of the Company, representing approximately 7.71% interest in the total number of Shares in issue of the Company pursuant to Part XV of the Securities and Futures Ordinance (“SFO”).

Mr. Cimino is experienced in financial management, debt restructuring and asset management and has been an investment banker and stockbroker having spent a large part of his career as head of Investment Banking, chief executive officer and country head of SBC Warburg and UBS in New Zealand. He had worked extensively on privatisation mandates for the New Zealand Government. Upon leaving UBS in 2001, he formed his own boutique investment bank Cimino Partners which undertook various M&A and capital market transactions including being the lead manager for the IPO of the New Zealand Stock Exchange. He had formerly been a public company director in New Zealand for listed companies in the transportation, environmental, biotechnology and private equity sectors. He was previously a non-executive director of EFG-Hermes Holdings SAE (a company listed on Egyptian Stock Exchange). Mr. Cimino holds a Bachelor of Commerce and Administration Degree from Victoria University of Wellington, New Zealand and completed the Advanced Management Program at Harvard Business School. Save as disclosed above, Mr. Cimino did not hold any other directorships in listed public companies in Hong Kong and overseas during the past three years.

If re-elected at the AGM, the term of Mr. Cimino’s appointment shall continue until 31 December 2018 and will be renewed for a term of two years on the same renewal date of the other Non-Executive Directors of the Company. He is subject to the provisions of retirement and re-election at the annual general meetings of the Company pursuant to the Articles of Association or any other applicable laws whereby a director shall vacate his office. Mr. Cimino is also entitled to an annual Director’s fee and he received a Director’s fee of HK\$20,000 for the year 2017.

Save as disclosed above, Mr. Cimino did not have any relationship with any Directors, senior management or substantial or controlling Shareholders, nor did he have any interest in the Shares of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date. There are no other matters or information in relation to Mr. Cimino that need to be brought to the attention of the Shareholders or to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

**Peter Wong Man Kong**

*Independent Non-Executive Director*

Mr. Wong, aged 69, was appointed as an Independent Non-Executive Director of the Company on 30 May 2001. He is the Chairman of the Remuneration Committee and a member of both the Nomination Committee and the Audit Committee.

Mr. Wong is currently the chairman of M.K. Corporation Limited, Culture Resources Development Co., Ltd. and North West Development Limited. He is also a non-executive director of Hong Kong Ferry (Holdings) Company Limited, an independent non-executive director of China Travel International Investment Hong Kong Limited, Far East Consortium International Limited, Glorious Sun Enterprises Limited, Sino Hotels (Holdings) Limited, New Times Energy Corporation Limited and MGM China Holdings Limited, all being companies listed on the Stock Exchange. He previously served as an independent non-executive director of Chinney Investments Limited, a company listed on the Stock Exchange. Mr. Wong holds a Bachelor of Science Degree in Mechanical Engineering (Naval Architecture) from the University of California at Berkeley, U.S.A. He is also a deputy to the 13th National People's Congress of The People's Republic of China. Save as disclosed above, Mr. Wong did not hold any other directorships in listed public companies in Hong Kong and overseas during the past three years.

If re-elected at the AGM, the term of Mr. Wong's appointment shall continue until 31 December 2018 and will be renewed for a term of two years on the same renewal date of the other Non-Executive Directors of the Company. He is also subject to the provisions of retirement and re-election at the annual general meetings of the Company pursuant to the Articles of Association or any other applicable laws whereby a director shall vacate his office. Based on the letter of appointment executed between the Company and Mr. Wong, Mr. Wong is entitled to a consultancy fee which is currently HK\$230,000 per annum (payable quarterly in arrears). Mr. Wong is also entitled to an annual Director's fee and he received a Director's fee of HK\$20,000 for the year 2017. The remuneration of Mr. Wong was determined with reference to his duties and responsibilities with the Company, the market conditions and the terms of the Company's remuneration policy.

Mr. Wong did not have any relationship with any Directors, senior management or substantial or controlling Shareholders, nor did he have any interest in the securities within the meaning of Part XV of the SFO as at the Latest Practicable Date. There are no other matters or information in relation to Mr. Wong that need to be brought to the attention of the Shareholders or to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

**Evan Au Yang Chi Chun**

*Independent Non-Executive Director*

Mr. Au Yang, aged 46, was appointed as an Independent Non-Executive Director of the Company on 22 March 2018. He is presently a member of the Nomination Committee, Remuneration Committee and Audit Committee of the Company.

Mr. Au Yang is currently the managing director and head of Asia-Pacific for Gerson Lehrman Group (“GLG”). Prior to GLG, Mr. Au Yang was the deputy managing director of The Kowloon Motor Bus Company (1933) Limited (“KMB”) and an executive director of Transport International Holdings Limited (“Transport International”), KMB’s parent company which is listed on the Stock Exchange.

Mr. Au Yang is also extensively involved with civic work. He is the chairman of the board of Civic Exchange; a member of the Advisory Committee on Corruption of the Independent Commission Against Corruption and an advisor of Our Hong Kong Foundation. He serves on the board of the Urban Renewal Authority as a non-executive director, the executive committees of Green Monday and the Young Presidents’ Organization (Hong Kong Chapter) where he is a member. In addition, Mr. Au Yang serves on the Transport Policy Committee of the Chartered Institute of Logistics and Transport, the Environment Bureau’s Working Group on review of Air Quality Objectives, the Development Fund Committee of the Hong Kong Council of Social Service, the Development Committee of the World Wide Fund as well as the board of advisors of Kellogg School of Management Alumni Club.

Prior to joining Transport International and KMB, Mr. Au Yang was an associate partner at McKinsey & Company. Before management consultancy, Mr. Au Yang was at Citigroup’s derivatives structuring and marketing unit. He obtained his undergraduate degree in Economics and Political Science from Brown University and his MBA degree from the Kellogg School of Management at Northwestern University. Save as disclosed above, Mr. Au Yang did not hold any other directorships in listed public companies in Hong Kong and overseas during the past three years.

According to the letter of appointment executed between the Company and Mr. Au Yang, the term of his appointment shall continue until 31 December 2018 and shall be renewed for a term of two years on the same renewal date of the other Non-Executive Directors of the Company. He is also subject to the provisions of retirement and re-election at the annual general meetings of the Company pursuant to the Articles of Association or any other applicable laws whereby a director shall vacate his office. Mr. Au Yang is entitled to a consultancy fee of HK\$230,000 per annum and an annual Director’s fee of HK\$20,000. The remuneration of Mr. Au Yang was determined with reference to his duties and responsibilities with the Company, the market conditions and the terms of the Company’s remuneration policy.

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**APPENDIX I            DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION**

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Mr. Au Yang did not have any relationship with any Directors, senior management or substantial or controlling Shareholders, nor did he have any interest in the Shares of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date. There are no other matters or information in relation to Mr. Au Yang that need to be brought to the attention of the Shareholders or to be disclosed pursuant to paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

*This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the AGM in relation to the proposed repurchase mandate.*

#### **TOTAL NUMBER OF SHARES IN ISSUE**

As at the Latest Practicable Date, the total number of Shares in issue was 2,153,059,493 Shares.

Subject to the passing of the resolution granting the proposed mandate to repurchase Shares and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 215,305,949 Shares, during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

#### **REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. In addition, in August 2015, the Board announced a plan to allocate up to HK\$1 billion to repurchase the Shares on market. The Board considers that repurchases of Shares below net asset backing is value accretive for the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value per Share and/or earnings per Share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

The Directors would exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company and in circumstances where they consider that the Shares can be repurchased on terms favourable to the Company. On the basis of the consolidated financial position of the Company as at 31 December 2017, being the date to which the latest published audited financial statements of the Company were made up, the Directors consider that, if the general mandate to repurchase Shares was to be exercised in full at the currently prevailing market value, it might cause the working capital and gearing position of the Company to be materially different from such position as contained in the latest published audited financial statements of the Company.

The Directors do not propose to exercise the mandate to repurchase Shares to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company as compared with the position disclosed in the latest published audited financial statements of the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

**FUNDING OF REPURCHASES**

Repurchases to be made pursuant to the proposed repurchase mandate would be financed out of funds legally available for such purpose in accordance with the Articles, the Listing Rules, the Companies Ordinance and other applicable laws of Hong Kong.

**EFFECT OF THE TAKEOVERS CODE**

Upon the exercise of the power to repurchase Shares pursuant to the repurchase mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, and such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and may become obliged to make a mandatory general offer in accordance with Rules 26 and 32 of the Takeovers Code.

According to the register maintained by the Company under Section 336 of the SFO as at the Latest Practicable Date, (i) Allied Properties (H.K.) Limited ("APL"), indirectly through its wholly-owned subsidiaries, held 1,233,578,575 Shares, representing approximately 57.29% of the total number of Shares in issue of the Company; and (ii) Asia Financial Services Company Limited ("AFSC") held 341,600,000 Shares representing approximately 15.87% of the total number of Shares in issue of the Company. Based on such interests and assuming that no further Shares are issued or repurchased prior to the AGM, the shareholding interest of APL and AFSC would be increased to approximately 63.66% and 17.63% of the total number of Shares in issue of the Company respectively in the event that the Directors exercise in full the power to repurchase Shares under the repurchase mandate. The Directors are not aware of any consequences which may arise under the Takeovers Codes as a result of any repurchases of Shares made under the repurchase mandate. In the event that the repurchase mandate is exercised in full, the number of Shares held by the public would fall below 25% of the total number of Shares then in issue. The Directors have no intention to repurchase Shares to such an extent which will result in the number of Shares held by the public being reduced to less than 25%.

## SHARE PRICES

The following table shows the highest and lowest trading prices at which the Shares have been traded on the Stock Exchange in the past twelve months:

Month	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2017</b>		
April	5.90	4.88
May	5.77	5.03
June	5.15	5.00
July	5.40	4.99
August	5.30	5.08
September	5.15	4.98
October	5.13	5.00
November	5.12	4.90
December	5.01	4.88
<b>2018</b>		
January	5.22	4.99
February	5.36	4.81
March	5.20	4.85
April (up to the Latest Practicable Date)	5.06	4.88

## REPURCHASES OF SHARES

The Company repurchased an aggregate of 15,069,000 Shares on the Stock Exchange in the six months preceding the Latest Practicable Date, with details as follows:

Repurchase Date	No. of Shares	Purchase Price	
		Highest <i>HK\$</i>	Lowest <i>HK\$</i>
3 October 2017	142,000	5.05	5.04
4 October 2017	26,000	5.05	5.05
10 October 2017	200,000	5.05	5.03
12 October 2017	74,000	5.05	5.05
13 October 2017	78,000	5.05	5.05
18 October 2017	273,000	5.05	5.04
19 October 2017	288,000	5.05	5.05
20 October 2017	308,000	5.05	5.04
23 October 2017	130,000	5.05	5.04
24 October 2017	296,000	5.05	5.04
25 October 2017	511,000	5.05	5.03

Repurchase Date	No. of Shares	Purchase Price	
		Highest <i>HK\$</i>	Lowest <i>HK\$</i>
26 October 2017	400,000	5.03	5.01
27 October 2017	252,000	5.03	5.02
30 October 2017	208,000	5.03	5.02
31 October 2017	363,000	5.03	5.01
1 November 2017	244,000	5.03	5.00
2 November 2017	435,000	5.03	5.01
3 November 2017	371,000	5.02	5.01
6 November 2017	411,000	5.01	5.00
7 November 2017	411,000	5.01	5.00
8 November 2017	474,000	5.02	5.00
9 November 2017	294,000	5.03	5.01
10 November 2017	387,000	5.02	5.00
13 November 2017	261,000	5.02	5.00
14 November 2017	489,000	5.00	4.98
15 November 2017	531,000	4.98	4.92
16 November 2017	171,000	4.96	4.94
17 November 2017	261,000	4.95	4.92
20 November 2017	363,000	4.92	4.90
21 November 2017	204,000	4.91	4.90
22 November 2017	323,000	4.99	4.94
23 November 2017	253,000	5.00	4.99
24 November 2017	229,000	5.00	5.00
27 November 2017	91,000	5.00	4.99
28 November 2017	208,000	5.00	4.98
29 November 2017	230,000	5.00	4.98
30 November 2017	471,000	5.00	4.98
1 December 2017	346,000	4.99	4.98
4 December 2017	121,000	4.99	4.98
5 December 2017	279,000	5.00	4.98
6 December 2017	721,000	4.99	4.96
7 December 2017	954,000	4.97	4.92
12 December 2017	50,000	4.90	4.90
13 December 2017	80,000	4.90	4.90
14 December 2017	1,170,000	4.90	4.89
15 December 2017	407,000	4.90	4.89
18 December 2017	33,000	4.90	4.90
20 December 2017	246,000	4.90	4.89
21 December 2017	1,000	4.88	4.88
January 2018	nil		
February 2018	nil		
March 2018	nil		

**GENERAL**

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company or its subsidiaries.

No core connected persons of the Company (as defined in the Listing Rules) have notified the Company that they have a present intention to sell any Shares to the Company, or have undertaken not to do so in the event that the Company is authorised to make repurchases of the Shares under the proposed repurchase mandate.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the proposed mandate to repurchase Shares in accordance with the Listing Rules, the Companies Ordinance and other applicable laws of Hong Kong.

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**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (the “Meeting”) of Sun Hung Kai & Co. Limited (the “Company”) will be held at Plaza 4, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 24 May 2018 at 10:00 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements and the reports of the Directors and Auditor for the year ended 31 December 2017.
2.
  - (a) To re-elect Mr. Simon Chow Wing Charn as a Director.
  - (b) To re-elect Mr. Jonathan Andrew Cimino as a Director.
  - (c) To re-elect Mr. Peter Wong Man Kong, an Independent Non-Executive Director who has already served the Company for more than nine years, as a Director.
  - (d) To re-elect Mr. Evan Au Yang Chi Chun as a Director.
3. To re-appoint Deloitte Touche Tohmatsu as the Auditor and to authorise the Board of Directors to fix its remuneration.
4. To consider, and if thought fit, to pass the following resolutions, with or without amendments, as ordinary resolutions:

### **ORDINARY RESOLUTIONS**

A. **“THAT:**

- (a) subject to paragraph (c) of this Resolution, the exercise by the directors of the Company (“Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares of the Company (“Shares”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements and options which might require the exercise of such powers, be and is hereby generally and unconditionally approved;

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- (b) the approval given in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of the Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval given in paragraph (a) of this Resolution, otherwise than pursuant to:
  - (i) a Rights Issue (as hereinafter defined);
  - (ii) the exercise of the rights of subscription or conversion attaching to any warrants issued by the Company or any securities which are convertible into Shares;
  - (iii) the exercise of any options granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares; or
  - (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares pursuant to the articles of association of the Company from time to time;

shall not exceed 20% of the total number of Shares in issue at the date of passing of this Resolution and the said approval shall be limited accordingly;

- (d) subject to the passing of each of the paragraphs (a), (b) and (c) of this Resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (e) for the purpose of this Resolution:

‘Relevant Period’ means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;

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- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares at that date (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or 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 applicable to the Company).”

**B. “THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Code on Share Buy-backs, subject to and in accordance with all applicable laws and regulations, be and is hereby generally and unconditionally approved;
- (b) the total number of Shares which may be repurchased by the Company pursuant to paragraph (a) of this Resolution during the Relevant Period shall not exceed 10% of the total number of Shares in issue at the date of passing of this Resolution, and the approval granted under paragraph (a) of this Resolution shall be limited accordingly;
- (c) subject to the passing of each of the paragraphs (a) and (b) of this Resolution, any prior approvals of the kind referred to in paragraphs (a) and (b) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and

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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 earlier 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 the articles of association of the Company or any applicable laws to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

C. “**THAT** conditional upon the passing of Resolution Nos. 4A and 4B above, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue or otherwise deal with additional securities of the Company pursuant to Resolution No. 4A above be and is hereby extended by the addition thereto a number representing the total number of the Shares repurchased by the Company under the authority granted pursuant to Resolution No. 4B above, provided that such number shall not exceed 10% of the total number of Shares in issue at the date of the passing of this Resolution.”

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

Hong Kong, 20 April 2018

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*Notes:*

1. All resolutions set out in this notice of the Meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and the results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.
2. A member of the Company entitled to attend and to speak and vote at the Meeting will be entitled to appoint one or more proxies to attend and to speak and, on a poll, vote in his or her stead. A proxy need not be a member of the Company.
3. A form of proxy in respect of the Meeting is enclosed. Whether or not you intend to attend the Meeting in person, you are urged to complete and return the form of proxy in accordance with the instructions printed thereon. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Meeting or any adjourned meeting thereof if you so wish. In the event that you attend the Meeting after having lodged the form of proxy, it will be deemed to have been revoked.
4. To be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, must be deposited at the Company’s share registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not less than 48 hours before the time fixed for holding of the Meeting or any adjournment thereof.
5. Where there are joint registered holders of any Share, any one of such joint holders may vote at the Meeting, either personally or by proxy in respect of such Share as if he or she was solely entitled thereto, but if more than one of such joint registered holders be present at the Meeting personally or by proxy, that one of such joint holders so present whose name stands first on the register of members of the Company shall alone be entitled to vote in respect thereof.
6. For determining the entitlement to attend and vote at the Meeting, the register of members of the Company will be closed on Friday, 18 May 2018 to Thursday, 24 May 2018, during which period no transfer of Shares will be registered. In order for a member to be eligible to attend and vote at the Meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 17 May 2018.
7. In respect of Resolution No. 4A above, the Directors wish to state that they have no immediate plans to issue any new securities of the Company under this mandate. Approval is being sought from members as a general mandate, in compliance with the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Listing Rules, in order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to issue any securities of the Company up to 20% of the total number of Shares in issue at the date of the passing of the resolution.
8. The general purpose of the authority to be conferred on the Directors by Resolution No. 4B above is to increase flexibility and to provide discretion to the Directors when it becomes desirable to repurchase Shares representing up to a maximum of 10% of the total number of Shares in issue at the date of the passing of the resolution on the Stock Exchange.