
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

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No Shareholder receiving a copy of this circular and/or an Election Form in any territory outside Hong Kong may treat the same as an invitation to elect for Shares unless in the relevant territory such invitation could lawfully be made to it/him/her without Sun Hung Kai Properties Limited having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. It is the responsibility of any Shareholder outside Hong Kong who wishes to receive New Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdictions including procedures or any other similar formalities.



新鴻基地產發展有限公司

Sun Hung Kai Properties Limited

(incorporated in Hong Kong with limited liability)

(Stock Code: 16)

**SCRIP DIVIDEND SCHEME IN RELATION TO
THE INTERIM DIVIDEND
FOR THE SIX MONTHS ENDED 31 DECEMBER 2009**

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors
“CCASS”	Central Clearing and Settlement System
“Company”	Sun Hung Kai Properties Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 16)
“Director(s)”	the director(s) of the Company
“Election Form”	the form of election in relation to the Scrip Dividend Scheme
“Eligible Shareholders”	Shareholders whose names appeared on the register of members of the Company on the Record Date (except Shareholders with registered addresses in the State of California, the United States)
“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
“Interim Dividend”	the interim dividend of HK\$0.85 per Share for the six months ended 31 December 2009 payable to Shareholders whose names appeared on the register of members of the Company as at the Record Date
“New Share(s)”	new fully paid Share(s) to be issued under the Scrip Dividend Scheme
“Record Date”	Thursday, 1 April 2010
“Scrip Dividend Scheme”	the scrip alternative offered to the Shareholders whereby Shareholders may elect to receive their Interim Dividend wholly or partly by the allotment of fully paid New Shares in lieu of cash
“Share(s)”	share(s) of nominal value of HK\$0.50 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States”	United States of America or any of its territories or possessions

EXPECTED TIMETABLE

Set out below is a summary of the events in relation to the Scrip Dividend Scheme in the form of a timetable:

Latest date for dealings in Shares on a cum-entitlement basis	Tuesday, 23 March 2010
Commencement of dealings in the Shares on an ex-entitlement basis	Wednesday, 24 March 2010
Latest time for lodging transfer of the Shares in order to be entitled to the Interim Dividend	4:30 p.m. on Thursday, 25 March 2010
Closure of the register of members of the Company	Friday, 26 March 2010 to Thursday, 1 April 2010 (both dates inclusive)
Announcement of calculation of the market value of Shares for calculating the number of New Shares to be allotted	Wednesday, 31 March 2010
Record Date for determination of entitlements to the Interim Dividend	Thursday, 1 April 2010
Latest time for return of the Election Form to the Share Registrars ²	4:30 p.m. on Monday, 26 April 2010
Despatch of certificates for New Shares and cheques for cash dividends	on or about Tuesday, 4 May 2010
Expected first day of dealings in New Shares	on or about Wednesday, 5 May 2010

Notes:

- All times refer to Hong Kong local time.*
- If there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning in force at or at any time prior to 4:30 p.m. on Monday, 26 April 2010, the deadline for return of the Election Form will be changed. Further information is set out in paragraph 6 headed "Election Form" of the "Letter from the Board".*



新鴻基地產發展有限公司
Sun Hung Kai Properties Limited

(incorporated in Hong Kong with limited liability)
(Stock Code: 16)

Chairman:

Kwong Siu-hing (*Non-Executive Director*)

Executive Directors:

Kwok Ping-kwong, Thomas (*Vice Chairman & Managing Director*)

Kwok Ping-luen, Raymond (*Vice Chairman & Managing Director*)

Chan Kai-ming

Chan Kui-yuen, Thomas

Kwong Chun

Wong Chik-wing, Mike

Chan Kwok-wai, Patrick (*Chief Financial Officer*)

Non-Executive Directors:

Lee Shau-kee (*Vice Chairman*)

Kwok Ping-sheung, Walter

Woo Po-shing

Kwan Cheuk-yin, William

Lo Chiu-chun, Clement

Wong Yick-kam, Michael

Woo Ka-biu, Jackson (*Alternate Director to Woo Po-shing*)

Independent Non-Executive Directors:

Yip Dicky Peter

Wong Yue-chim, Richard

Li Ka-cheung, Eric

Fung Kwok-lun, William

Company Secretary:

Yung Sheung-tat, Sandy

Registered Office:

45th Floor
Sun Hung Kai Centre
30 Harbour Road
Hong Kong

9 April 2010

To the Shareholders

Dear Sir or Madam,

**SCRIP DIVIDEND SCHEME IN RELATION TO
THE INTERIM DIVIDEND
FOR THE SIX MONTHS ENDED 31 DECEMBER 2009**

1. INTRODUCTION

The Company announced on 11 March 2010 that the Board had declared the Interim Dividend and resolved that the Interim Dividend would be paid to Shareholders whose names appeared on the register of members of the Company on the Record Date. Eligible Shareholders may elect to receive

LETTER FROM THE BOARD

the Interim Dividend in cash, or in the form of fully paid New Shares in lieu of cash, or partly in cash and partly in the form of fully paid New Shares under the Scrip Dividend Scheme. The register of members of the Company was closed from Friday, 26 March 2010 to Thursday, 1 April 2010 (both dates inclusive). In order to establish entitlement to the Interim Dividend, all transfers, accompanied by the relevant share certificates, had to be lodged with the Company's Share Registrars for registration not later than 4:30 p.m. on Thursday, 25 March 2010.

The purpose of this circular is to set out the procedures which apply in relation to the Scrip Dividend Scheme and the action which should be taken by the Shareholders in relation thereto.

2. DETAILS OF THE SCRIP DIVIDEND SCHEME

Under the Scrip Dividend Scheme, Eligible Shareholders may elect to receive the Interim Dividend in one of the following ways:

- (a) cash of HK\$0.85 for each Share held on the Record Date; or
- (b) an allotment of fully paid New Shares (the number of which is determined as explained below);
or
- (c) partly in cash and partly in the form of fully paid New Shares.

For the purpose of calculating the number of New Shares to be allotted pursuant to the Scrip Dividend Scheme, the market value of the New Shares has been fixed at HK\$117.74 per Share (the "Average Closing Price"), which is the average value of the closing prices per Share as quoted on the Stock Exchange for the five consecutive trading days commencing from 24 March 2010. Accordingly, the number of New Shares which the Eligible Shareholders are entitled to receive in respect of the Shares registered in their names as at the Record Date will be calculated as follows:

$$\begin{array}{l} \text{Number of} \\ \text{New Shares to be} \\ \text{received} \end{array} = \begin{array}{l} \text{Number of Shares held on the} \\ \text{Record Date and elected for the} \\ \text{New Shares} \end{array} \times \frac{\text{HK\$0.85 (Interim Dividend per Share)}}{\text{HK\$117.74 (Average Closing Price)}}$$

Based on 2,564,333,362 Shares in issue as at the close of business on the Record Date, the maximum number of New Shares which may fall to be issued under the Scrip Dividend Scheme will be 18,512,683, representing approximately 0.722% of the existing issued share capital of the Company and approximately 0.717% of the issued share capital of the Company as enlarged by the issue of New Shares.

The last day and time on which the Eligible Shareholders will be entitled to select their desired form of the Interim Dividend is 4:30 p.m. on Monday, 26 April 2010. The number of New Shares to be issued to each Shareholder will be rounded down to the nearest whole number. Fractional entitlements to the New Shares will be disregarded and the benefit thereof will accrue to the Company. The New Shares to be issued pursuant to the Scrip Dividend Scheme will, when they are issued, rank pari passu in all respects with the Shares in issue on the date of the allotment and issue of the New Shares except that they shall not be entitled to the Interim Dividend.

LETTER FROM THE BOARD

3. ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

The Directors consider that the Scrip Dividend Scheme is beneficial to both the Shareholders and the Company as it will give Shareholders the opportunity to increase their investment in the Company at market value without incurring brokerage fees, stamp duty and related dealing costs and the Company to retain cash, which would otherwise have been paid to the Shareholders, for the use by the Company.

4. CONDITIONS OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the New Shares to be issued in respect of the Interim Dividend.

If the condition is not satisfied, the Scrip Dividend Scheme will not become effective and the Election Forms will be void. The Interim Dividend will then be paid wholly in cash.

5. EFFECT OF THE SCRIP DIVIDEND SCHEME

Shareholders should note that the New Shares to be issued under the Scrip Dividend Scheme may give rise to disclosure requirements under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). **Shareholders who are in any doubt as to how these provisions may affect them as a result of the issue of the New Shares are recommended to seek their own professional advice. Shareholders who are in any doubt as to their taxation position are also recommended to seek their own professional advice.**

6. ELECTION FORM

The Election Form is enclosed with this circular for use by Eligible Shareholders who wish to receive the Interim Dividend wholly in the form of New Shares or partly in cash and partly in the form of New Shares in lieu of cash. Please read carefully the instructions below and the instructions printed on the Election Form.

(a) To receive only cash dividend

If you wish to receive only cash for the Interim Dividend, you do not need to take any action. Therefore, please **DO NOT** return the Election Form.

(b) To receive only New Shares for the Interim Dividend

If you wish to receive only New Shares for the Interim Dividend, please just **SIGN, DATE** and **RETURN** the Election Form.

(c) To receive part cash dividend and part New Shares for the Interim Dividend

If you wish to receive your Interim Dividend partly in cash and partly in New Shares, please **ENTER** in Box C of the Election Form the number of Shares which you held on the Record Date for which you require the Interim Dividend to be paid in New Shares. Then **SIGN, DATE, and RETURN** the Election Form.

LETTER FROM THE BOARD

If you do not specify the number of Shares in respect of which you wish to receive an allotment of New Shares or if you elect to receive New Shares in respect of a greater number of Shares than your registered holding on the Record Date, you will be deemed to have elected to receive only New Shares in respect of ALL the Shares registered in your name on the Record Date. Therefore, you will receive only New Shares for the Interim Dividend.

The Election Form should be completed in accordance with the instructions printed thereon and returned, so that they are received by the Company's Share Registrars no later than 4:30 p.m. on Monday, 26 April 2010 at:

**Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong**

The latest time for return of the Election Form mentioned above will not be valid if there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning:

- a. in force in Hong Kong at any local time at or before 12:00 noon and no longer in force after 12:00 noon on Monday, 26 April 2010. Instead, the deadline for the submission of Election Forms will be 5:00 p.m. on the same business day;**
- b. in force in Hong Kong at any local time between 12:00 noon and 4:30 p.m. on Monday, 26 April 2010. Instead, the deadline for the submission of Election Forms will be rescheduled to 4:30 p.m. on the next business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:30 p.m..**

Failure to complete and return the Election Form in accordance with the instructions printed thereon will result in the relevant Eligible Shareholder's Interim Dividend being paid wholly in the form of cash. No acknowledgement of receipt of the Election Form will be issued. No elections in respect of the Interim Dividend may, after the relevant Election Forms are signed and returned to the Company's Share Registrars, be in any way withdrawn, revoked, superseded or altered.

7. SHAREHOLDERS RESIDENT OUTSIDE HONG KONG

Australia

This circular is not a prospectus under Australian law and that Shareholders should seek their own professional advice in deciding whether to elect to receive the Interim Dividend wholly or partly in the form of fully paid New Shares under the Scrip Dividend Scheme. **THE COMPANY DOES NOT HAVE AN AUSTRALIAN FINANCIAL SERVICES LICENCE AND IS NOT LICENSED IN AUSTRALIA TO PROVIDE FINANCIAL PRODUCT ADVICE IN RESPECT OF THE NEW SHARES. NO AUSTRALIAN PRODUCT DISCLOSURE STATEMENT OR PROSPECTUS HAS BEEN PREPARED IN RESPECT OF THE NEW SHARES. NO COOLING-OFF PERIOD APPLIES TO THE OFFER OF THE NEW SHARES UNDER THE SCRIP DIVIDEND SCHEME.**

LETTER FROM THE BOARD

Philippines

Shareholders with registered addresses in the Philippines (the “**Philippine Shareholders**”) should note that exemption from registration in respect of offer of the New Shares pursuant to the Scrip Dividend Scheme is claimed under Section 10.1(d) of the Philippine Securities Regulation Code. No confirmation needs to be obtained from the Philippine Securities and Exchange Commission that the offer of the New Shares to the Philippine Shareholders pursuant to the Scrip Dividend Scheme qualifies as an exempt transaction. **THE SECURITIES BEING OFFERED OR SOLD HEREIN HAVE NOT BEEN REGISTERED WITH THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES REGULATION CODE. ANY FUTURE OFFER OR SALE THEREOF IS SUBJECT TO REGISTRATION REQUIREMENTS UNDER THE CODE UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION.**

Singapore

This circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this circular, the Election Form and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Shares may not be circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to a Shareholder whose name appeared on the register of members on the Record Date pursuant to Section 273(1)(cd) of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”) or (ii) otherwise pursuant to, and in accordance with, the conditions of an exemption under any provision of Subdivision (4) of Division 1 of Part XIII of the SFA.

Switzerland

This circular is being communicated in or from Switzerland to a small number of selected investors (being Shareholders whose names appeared on the register of members of the Company on the Record Date and with registered addresses in Switzerland (each a “**Switzerland Shareholder**”)) only. Each copy of this circular and the Election Form is addressed to the specifically named Switzerland Shareholder and may not be passed on to third parties. The New Shares are not being offered to the public in or from Switzerland, and neither this circular, nor any other offering material in relation to the New Shares (including the Election Form) may be distributed in connection with any such offering in Switzerland.

United States

SHAREHOLDERS WITH REGISTERED ADDRESSES IN THE STATE OF CALIFORNIA OF THE UNITED STATES WILL NOT BE PERMITTED TO PARTICIPATE IN THE SCRIP DIVIDEND SCHEME AND THEY WILL RECEIVE THE INTERIM DIVIDEND WHOLLY IN CASH. The Company has been advised by its legal advisers on the laws of the United States that the Company would need to take additional steps to comply with the regulatory requirements of the relevant regulatory authorities in the State of California if the New Shares are to be issued to Shareholders with registered addresses in the State of California. Having considered such advice on the relevant legal and regulatory requirements, the Directors considered such exclusion to be necessary or expedient pursuant to Rule 13.36(2) of the Rules Governing the Listing of Securities on the Stock Exchange. Therefore, Shareholders in the State of California are not Eligible Shareholders and this circular has been sent to such Shareholders for information only and no Election Form is being sent to such Shareholders.

LETTER FROM THE BOARD

General

All other Shareholders resident outside Hong Kong should consult their professional advisers as to whether or not they are permitted to participate in the Scrip Dividend Scheme or whether any government or other consents are required or other formalities need to be observed. No Shareholder receiving a copy of this circular and/or an Election Form in any territory outside Hong Kong may treat the same as an invitation to elect for Shares unless in the relevant territory such invitation could lawfully be made to it/him/her without the Company having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. It is the responsibility of any Shareholder outside Hong Kong who wishes to receive New Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdictions including procedures or any other similar formalities. Persons who receive New Shares in lieu of cash dividend must also comply with any restrictions on the resale of Shares which may apply outside Hong Kong.

8. LISTING AND DEALINGS

Application has been made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the New Shares to be allotted and issued pursuant to the Scrip Dividend Scheme.

It is expected that the certificates for New Shares, and cheques for cash dividends, will be sent by ordinary mail to Shareholders at the risk of those entitled thereto on or about Tuesday, 4 May 2010, and the first day of dealings in the New Shares on the Stock Exchange is expected to be on or about Wednesday, 5 May 2010.

Subject to the granting of the listing of, and permission to deal in, the New Shares to be allotted and issued pursuant to the Scrip Dividend Scheme on the Stock Exchange, such New Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in the CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by Hong Kong Securities Clearing Company Limited. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek the advice of their licensed securities dealer or other professional adviser for details of these settlement arrangements and how such arrangements will affect their rights and interests.

The Shares are listed, and dealt in, on the Stock Exchange. No part of the share capital of the Company is listed or dealt in on any other stock exchange and the Company is not currently seeking to list its securities on any other stock exchange.

9. GENERAL

New Shares issued to the Eligible Shareholders pursuant to an election to receive some or all of their Interim Dividend in New Shares may be allocated in odd lots (of fewer than a board lot of 1,000 Shares). No special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of New Shares issued in odd lots. Eligible Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

Whether or not it is to your advantage to receive cash or the New Shares, in whole or in part, depends upon your own individual circumstances, and the decision in this regard and all effects resulting therefrom are the sole responsibility of each Shareholder. If you are in doubt as to what to do, you should consult your professional advisers.

LETTER FROM THE BOARD

Shareholders who are trustees are recommended to take professional advice as to whether the choice of New Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

Yours faithfully,

Kwok Ping-kwong, Thomas

Vice Chairman & Managing Director

Kwok Ping-luen, Raymond

Vice Chairman & Managing Director



新鴻基地產發展有限公司

Sun Hung Kai Properties Limited

(incorporated in Hong Kong with limited liability)

(Stock Code: 16)

9 April 2010

Dear Shareholder,

Please be advised that as a shareholder of the Company, you may choose to receive the corporate communications^(Note) of the Company (i) in printed form (in English only or in Chinese only or in both languages); or (ii) by electronic means through the website of the Company at www.shkp.com (the "Website"). If the Company does not receive from you any choice of language or means of receipt, the Company will send both language versions of the corporate communications in printed form to you.

If you wish to choose the language and/or means of receipt of the future corporate communications of the Company or to change your choice of language and/or means of receipt, please inform the Company's Share Registrars, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by completing the notification form below and returning the same by post or by email at shkp@computershare.com.hk.

If you have received the corporate communications in either English or Chinese only and would like to receive a printed copy in the other language free of charge, please send your request to the Company's Share Registrars by post or by email.

Should you choose to receive corporate communications by electronic means in future, the Company's Share Registrars will then send you an email notification of the publication of the corporate communications on the Website on the same day the corporate communications are sent to the shareholders. If you wish to receive a printed copy or have difficulty in receiving or gaining access to the corporate communications on the Website, you may obtain a printed copy free of charge by sending a request to the Company's Share Registrars by post or by email.

Please note that the corporate communications of the Company in English and Chinese are also available on the Website from the date of despatch and their printed copies are available from the Company's Share Registrars upon request.

Should you have any queries relating to this letter, please call the Company's hotline at (852) 2828 8648.

Yours faithfully,
Yung Sheung-tat, Sandy
Company Secretary

Note: Corporate communications include interim/annual reports, notices of meetings, listing documents, circulars and forms of proxy.

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NOTIFICATION FORM

To: Computershare Hong Kong Investor Services Limited

I/We would like to receive future corporate communications of Sun Hung Kai Properties Limited:

(Please "✓" only one box.)

- in printed form in English only; or
- in printed form in Chinese only; or
- in printed form in both English and Chinese; or
- by electronic means through the website of the Company at www.shkp.com.
(My/our email address: _____)

Name(s) of Shareholder(s)
(Please use ENGLISH BLOCK LETTERS)

Signature

Registered Address
(Please use ENGLISH BLOCK LETTERS)

Contact Phone Number

Date

✂

MAILING LABEL

*Please cut the mailing label and stick this on the envelope to return this Notification Form to us.
No postage stamp necessary if posted in Hong Kong.*

香港中央證券登記有限公司
Computershare Hong Kong Investor Services Limited
簡便回郵號碼 Freepost No. 37
香港 Hong Kong