

[For Immediate Release]

**Sun Hung Kai Financial Disposes 74.99% Interest in HKBLA
At An Aggregate Consideration of HK\$249 million
Continued Focus On Business Streamlining**

Hong Kong, 16 May 2007 – Sun Hung Kai & Co. Limited (stock code: 00086) (the “Company”), operating under the name of **Sun Hung Kai Financial** (SHKF), announced today that SHKF has agreed to dispose 74.99% of issued share capital of The Hong Kong Building and Loan Agency Limited (stock code: 00145) (“HKBLA”) at an aggregate consideration of HK\$248,903,319 to Mercurius Partners Investments Limited (“Mercurius”). The consideration was arrived at after arm’s length negotiations between SHKF and Mercurius, with particular reference to the asset backing of HKBLA. The proceeds from the disposal will be applied for general working capital purposes.

HKBLA mainly engages in mortgage finance and treasury investment in Hong Kong. For the year ended 31 December 2006, it recorded revenues of approximately HK\$62 million and a net profit of approximately HK\$11 million.

Mr. Lee Seng Huang, Executive Chairman of SHKF said, “We are committed to improving our return on equity and will continue to focus on streamlining our business. In February 2007, we disposed our 10.13% interest in Lippo Limited and generated HK\$131 million in proceeds. The disposal of HKBLA is a continuation of our strategy to opportunistically streamline our business and balance sheet. It will also allow us to reduce the cost associated with maintaining another listed entity.”

Under the Takeovers Code, Mercurius will be required to make a mandatory cash offer at a price of HK\$1.475 per share in HKBLA upon the completion of the purchase of 74.99% of HKBLA.

About Sun Hung Kai & Co. Limited and Sun Hung Kai Financial

With its foundation dating back to 1969, Sun Hung Kai & Co. Limited, which operates under the name Sun Hung Kai Financial, is one of the leading non-bank financial institutions in Hong Kong. The Group currently has over HK\$40 billion in assets under management, custody and/or advice, and over HK\$8 billion of equity attributable to equity holders. Its core areas of focus include wealth management and brokerage, asset management, capital markets, consumer finance as well as principal investments. Listed on the HKEx (stock code: 00086), the Group is currently capitalized at about HK\$10.5 billion. It employs over 1,300 dedicated professionals (excluding employees from the healthcare business) and has an extensive branch and office network in over 50 locations in Hong Kong, Macau and China.

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