

3 February 2009

Statement:

Lehman Brothers Minibond Series of credit-linked notes

Following the unforeseen and unexpected collapse of global investment bank Lehman Brothers Holdings Inc. in September 2008, Sun Hung Kai Financial (“SHKF”) would like to state the following:

The Lehman Brothers Minibond Series of credit-linked notes was a Lehman Brothers-developed product. SHKF was approached by Lehman Brothers to act as a coordinating distributor through Sun Hung Kai Investment Services Limited, liaising between Lehman Brothers and more than 20 retail distributors. These notes were distributed through a broad network of distributors in Hong Kong and Macau, including to a relatively small number of SHKF retail account holders. The product structuring, documentation and risk management were handled by Lehman Brothers. SHKF was not involved in underwriting any of the Lehman Brothers Minibond Series issues.

On 22 January 2009, SHKF announced that after exploring various alternatives over several months with the primary objective of assisting our 310 affected customers with Lehman Brothers Minibond holdings, SHKF had decided voluntarily to repurchase up to approximately HK\$85 million in Lehman Brothers Minibonds from our eligible primary market retail customers, without admission by SHKF of any liability or wrongdoing. Subsequently, SHKF announced that this repurchase initiative was expected to be substantially completed by 27 March 2009.

Following the Legislative Council’s decision passing the motion to exercise its rights under the Legislative Council (Powers and Privilege) Ordinance to gather further information relating to the Lehman Brothers matter, SHKF respects this decision. If requested, we will co-operate with the investigation while striking a balance between the interests of our customers, shareholders, staff and the public.

We will continue to monitor developments as they arise, and in cases of incorrect commentary and false allegations in the public domain, we will reserve our right to take such legal action as we may deem appropriate.

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