


SHUN TAK

Shun Tak Holdings Limited
信德集團有限公司

Stock Code 股份代號: 242



INTERIM REPORT
2012
中期業績報告



Dragons command a cardinal role throughout Chinese history. They are symbols of stature, gallantry and wisdom.

The cover design depicts a spirited dragon navigating the skies. It represents the Group's dynamic and progressive approach in forging a resourceful network in Hong Kong, Macau and Pearl River Delta. The Group readily responds to the growth needs of the region, and is instrumental in strengthening the integration of people, business and opportunities.

Moreover, dragons are signs of tremendous fortune. With its flying position forming a vivacious figure "50", the dragon celebrates the Group's golden anniversary. It represents the continuous dedication, respectable contributions and memorable achievements from the company over the past 50 years. And from here, Shun Tak is looking forward with confidence to yet another half a century of brilliance in the future.

龍在中國傳統文化具顯赫領導的地位：象徵不同凡響、有品德、有才識。

封面設計以動感橫溢的飛龍為主題，突顯信德集團積極開拓在香港、澳門及珠三角地區的業務，熟諳區域發展的需要，成功構建強大的業務和聯繫網絡，促進區域的和諧融合，成就輝煌，享負盛名。

加上龍為吉祥喜慶的標誌、以龍騰飛躍構成的「50」字樣，慶祝集團的金禧紀念，喻意集團貫徹始終，五十年來努力不懈地為區域發展作出貢獻，並將繼往開來，開創更多個五十年。

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GROUP RESULTS

The board of directors (the "Board") of Shun Tak Holdings Limited (the "Company") announces the unaudited consolidated interim results for the six months ended 30 June 2012 of the Company and its subsidiaries (the "Group").

The unaudited profit attributable to owners of the Company for the period amounted to HK\$1,004 million, as compared with a profit of HK\$222 million for the same period last year. Basic earnings per share were HK36 cents (2011, as restated: HK9 cents).

The unaudited profit attributable to owners of the Company for the period would be HK\$97 million (2011: HK\$35 million), after excluding the effect of attributable revaluation surplus (net of deferred tax) of HK\$907 million (2011: HK\$187 million) arising on investment properties held by the Group and a jointly controlled entity (holding 51% interest in One Central).

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend (2011: nil) in respect of the six months ended 30 June 2012.

Business Review

BUSINESS REVIEW

Property

Riding on a strong property market over the first half of 2012, the Group strategically released further units of various projects with remarkable response which underscored a solid foundation for the division. Over the first half of 2012, the Group's property division registered an operating profit of HK\$8 million (1H 2011: HK\$43 million) as well as share of profits from jointly controlled entities of HK\$575 million. The latter is primarily from the One Central project, amounting to HK\$574 million (1H 2011: HK\$147 million), with share of revaluation surplus arising from investment properties of HK\$456 million (1H 2011: HK\$18 million).

Property Developments

Projects Completed with Recent Sales

One Central

One Central, a prominent architectural feature on the Macau Peninsula waterfront, is a mixed use property developed in partnership with Hongkong Land Holdings Limited, with the Group holding a 51% interest.

Driven by the enthusiastic demand for luxurious living, the Group has successfully sold most of the remaining units at One Central. As of 30 June 2012, 99% of the seven residential towers has been sold. 3 featured duplex units and 2 triplex units were launched and sold in the period with satisfactory prices. At the same time, 8 serviced apartments of The Residences and Apartments at Mandarin Oriental, Macau have been sold in the first half of 2012. Only two penthouses remain out of a total of 92 units which are scheduled for launch at a later stage.

Business Review

Taipa Hills Memorial Garden

Taipa Hills Memorial Garden is a contemporary columbarium in which the Group holds a 79% interest, consisting approximately 40,000 standard niches. As of 30 June 2012, over 3,000 niches have been sold. Unique concierge services including worship packages and travel arrangements were launched. A multi-function room is opened for rituals, religious ceremonies and family gatherings.

Projects Under Development with Recent Sales

Nova City

Nova Park, Phase 4 of Nova City, is a striking urban park-side residential development set at the heart of the thriving Taipa community with an unimpeded view of the stunning Taipa Central Park. Its three residential towers cover a gross floor area of approximately 680,000 square feet and will become yet another asset in our varied product portfolio.

In May 2012, foundation work has been completed and superstructure works have commenced. Project completion is slated for the fourth quarter of 2014. The development was launched for sale in March and June of 2012, with both events attracting fervent response from the market. As of 30 June 2012, 333 units have been sold.

Chatham Gate

The Group holds 51% interest in this grand residential mansion and the appending shopping arcade covering a gross floor area of approximately 370,000 square feet. Two luxurious residential towers are under construction, featuring standard unit sizes ranging from 392 square feet to 2,080 square feet, offering studio to four-bedroom flats. Superstructure works are currently in progress and the project is slated for completion in the fourth quarter of 2012. The project was first launched in December 2011 with 45% sold in terms of gross floor area as of 30 June 2012.

Projects Under Development

Nova City Phase 5

The next phase of this popular residential community comprises over 2.3 million square feet of residential units in eight towers. These towers will sit above a large-scale lifestyle shopping centre with a gross floor area of over 600,000 square feet. It will house a diverse range of tenants including supermarkets, dining outlets, leisure retail and entertainment components to provide unparalleled convenience and comfort to its residents. The site works are expected to commence in the fourth quarter of 2012.

Harbour Mile

The premium residential development at the Nam Van site, adjoining the Macau Tower Convention & Entertainment Centre ("Macau Tower"), is under planning. The Macau SAR Government is continuing to review the Master Plan of Nam Van area. It is anticipated that the Macau SAR Government will need more time to finalize the Master Plan.

Hotel Development at Cotai Site

The Group controls 100% interest in the Cotai project and is the sole developer of the site. Application for land grant was made, and the Group is in discussion with the Macau SAR Government on its plan to develop an ultra-luxurious hotel on the site, which will be managed by the Jumeirah Group, a renowned luxury hotel management company and a member of Dubai Holding.

Proposed House Development at Chung Hom Kok

This proposed development comprises five luxury residential houses in a premium and tranquil location at Chung Hom Kok. Foundation works are in progress and the project is scheduled for completion in the fourth quarter of 2013.

Business Review

Property Investments

One Central

The hallmarks of the successful venture at One Central also include a luxurious flagship mall spanning over 400,000 square feet which is a highly attractive component that demonstrates the versatility, expertise and skill that is integral to our project blueprint. The retail mall has recorded satisfactory rental yield with occupancy rate of around 95% as at June 2012.

Shun Tak House

The property, situated in a busy tourist locale at the heart of the Macau Peninsula, covers over 28,000 square feet of leasable area and consistently maintains 100% occupancy with two major retail anchor tenants.

The Westwood

Home to a myriad of chain retailers, The Westwood, a 5-storey shopping centre at The Belcher's with approximately 158,000 square feet of leasable area, is the largest shopping destination in the Western Mid-Levels. As of 30 June 2012, the occupancy rate stood above 95%. Accessibility to The Westwood will be further improved when construction work of the MTR West Island Line is completed in 2014.

Liberté Place

Liberté Place, the shopping podium of Liberté, offers a wide variety of dining and household conveniences to residents of the West Kowloon community, including the neighboring Banyan Garden and The Pacifica. Occupancy consistently stands close to 100%. After the opening of a direct access connecting to Lai Chi Kok MTR Station, foot traffic has been further enhanced.

Guangzhou Shun Tak Business Centre

The Guangzhou Shun Tak Business Centre, a 32-storey office tower on a 6-storey shopping arcade, recorded satisfactory leasing revenue and an occupancy rate of around 90%. The Group holds 60% interest in the property.

Disposal of Asset

Further to the Company's announcement in April 2012, the Group completed the disposal of its investment properties at Star House, Tsim Sha Tsui in August 2012 which were held for more than two decades at a substantial profit under the buoyant Hong Kong property market. This is a strategic move to consolidate resources and pursue new opportunities that better complement the Group's existing portfolio.

Property Management Services

Shun Tak Property Management Limited ("STPML"), the Group's wholly owned subsidiary engaging in property management, has expanded its portfolio size to 16.4 million square feet across Hong Kong and Macau. Beyond traditional property management, it also operates complementing businesses including property cleaning under Shun Tak Macau Services Limited, and laundry services under Clean Living (Macau) Limited. STPML is a vital part of the fabric of the community, and has been steadfast in improving service quality and sustainability. It is the proud recipient of the Caring Company Award for ten consecutive years, and has won a myriad of accolades including the Award for Environmental Excellence from the Environmental Campaign Committee, Certificate of Quality Water from the Water Department, and a host of other recognitions.

Business Review

Transportation

The transportation division is on the course of a healthy recovery having implemented a fare increment with the approval from the Macau SAR Government, complemented by signs of slowdown in hiking fuel costs. In addition, followed by a strategic acquisition of First Ferry (Macau) in September 2011, the division is able to tap into a larger share of the group travel segment that improved its profitability. Total volume of passengers serviced by the Hong Kong — Macau route recorded a growth of 26%. A profit of HK\$2 million was recorded in the first half of 2012, compared to a loss of HK\$59 million reported during the same period last year.

In May 2012, the Group received approval on schedule enhancement, and officially expanded its network to cover Taipa Temporary Ferry Terminal and rights to operate routes from Taipa to Hong Kong and to Shekou. The service of Taipa to Hong Kong was officially launched in June 2012, starting with 6 daily sailings. This is a significant milestone in the quest of building a convenient Pearl River Delta sea network and will serve to support the growth of Macau into a world-class leisure destination.

The Group continued its strategic alliances with mainland ferry operators by offering passenger ferry services to Shenzhen, Shekou and Nansha. In addition, through the Hong Kong International Airport Ferry Terminal Services Limited, it continues to manage the ferry operations at the SkyPier. During the period, SkyPier continued to show encouraging growth, setting record numbers in terms of passenger throughput at 1.25 million.

TurboJET implemented a sustainable upgrading scheme of its Jetfoil fleet to meet the growing demand for luxury passenger ferry service. This will enable providing regular half-hourly sailings with a fleet of eight Premier Jetfoils. The third Premier Jetfoil is under refurbishment and is expected to commence service in the third quarter of 2012. The fourth Premier Jetfoil will join by the end of 2012.

Celebrating its 50th Anniversary, various promotional events such as the “TurboJET Snapshot Gallery@Time Square” and the “TurboJET — A Journey through 50 Glorious Years Photo Contest” were held to expand its customer base and strengthen its brand value.

Shun Tak — CITS Coach

With heightened market demand, Shun Tak & CITS Coach (Macao) Limited’s coach rental services recorded remarkable growth. The company operates a fleet of 133 vehicles, generating HK\$46 million in revenue from its cross-border and local rental business.

Hospitality

Stimulated by the continued robust demand from PRC visitors and the tour group sector, the hospitality division experienced a period of phenomenal growth in the first half of 2012. In comparison with the previous year, overall business registered solid improvement in performance, collectively contributing to an operating profit of HK\$36 million and a 146% year-on-year growth.

Hotels

In Hong Kong, the 658-room SkyCity Marriott Hotel located close to the AsiaWorld-Expo, the Hong Kong International Airport and the SkyPier, made impressive headway in its performance. The management executed an effective revenue management control system which resulted in optimizing profits and occupancy from different market segments. In the first half of 2012, the operation registered a strong 21% increase in revenue, with the momentum continuing into the second half of 2012.

Business Review

Mandarin Oriental, Macau at One Central Macau, leveraged upon its convenient location, strong brand affiliation, and a myriad of cross-promotions with adjoining tourism properties to achieve an average occupancy of over 62% and revenue of MOP90 million. It has also realised satisfactory EBITDA returns and continued to lead the room rates in its competitive set for the first six months of 2012. The hotel was awarded the Trip Advisor 2012 Travelers' Choice Award for being the No.1 Relaxation and Spa Hotel in China, and also received the Best Luxurious Hotel of China recognition at the Seventh Ambitious China Starlight Award ceremony.

Westin Resort Macau continued to focus on delivering value and relaxing holiday experiences. The management team continued its collaboration with Macau Golf & Country Club, and implemented an innovative and extensive marketing plan that returned encouraging results. The property achieved a 67% occupancy rate and satisfactory revenue. Two of its outlets received the "Hong Kong & Macau's Best Restaurants" awards from Asian Tatler 2012.

Hospitality Management

The Group is renowned for providing integrated management solutions for tourism facilities. It is instrumental to positioning Macau Tower as a prominent destination in the world map with its international management and expansive sales and marketing network. In the first half of 2012, Macau Tower registered exceptional performance in all segments of business including Food & Beverage, Observation Decks and retail rental. Compared with the same period last year, it recorded a 9% increase year-on-year to MOP85 million (for the same period of 2011, MOP78 million had been recorded).

With the success of Macau Tower, the Group was appointed manager for Canton Tower in 2010. It opened its fourth observation platform, perched 488 meters above the ground in December 2011, offering the highest open air observation platform in the world. Soon after, in January 2012, the Tower launched its “Sky-drop” ride that added a new dimension to vertical high rise entertainment. In March 2012, the Outdoor Plaza was opened, which attracted paid visitors who wanted to enjoy the breathtaking views of the central axis of Guangzhou City and the Pearl River. It is planned that the Tower will open one 4D and two 3D movie theaters to the public in the second half of this year.

Travel and MICE

Shun Tak Travel achieved growth in sales through ferry ticket sales and MICE group business to Macau. With a proactive approach, including promotions through banks and social media networks, brand awareness of Shun Tak Travel has increased manifold in the market which brought in enhanced revenue for the retail business. Total sales have increased by 18% when compared to the same period last year.

Investments

The investment division recorded a gain of HK\$44 million (1H2011: loss of HK\$6 million) over the period, with the improvement mainly due to dividend income from Sociedade de Turismo e Diversões de Macau, S.A. (“STDM”). The Group anticipates dividends from STDM to be progressively stable, contributing to its financial strength in the future.

Macau Matters Company Limited is the Group’s retail arm, operating Toys “R” Us Macau in Macau Tower and CentralDeli in One Central. The former achieved a 10% growth during the period, while the latter continued to expand its luxury product offerings catering for mainland visitors demands.

Business Review

The Group participated in a consortium led by Worldwide Flight Services (WFS), comprising also Royal Caribbean Cruises Limited, was awarded a 10-year tenancy agreement for operating and managing the new cruise terminal at Kai Tak by the Hong Kong SAR Government after a competitive bidding. The new cruise terminal, scheduled to be completed in mid-2013, is located on the historic runway of the former Kai Tak airport, and is designed to accommodate the new class of mega-cruisers.

Prospect and Recent Developments

PROSPECT AND RECENT DEVELOPMENTS

The first half of 2012 has been an important period to build up a solid foundation for the Group's financial position from the sales of residential properties and disposal of investment assets. A rights issue completed in March 2012 also strengthened its working capital base, paving way for the Group to venture into new investments that complement its existing property and tourism portfolio.

With the lack of first hand property launches in Macau over recent months, the market has accumulated considerable demand for new quality homes. Under this environment, Nova Park and special featured units at One Central Residences have attracted significant interest from property buyers during their public sales, and all launched units were quickly sold.

A rights issue exercise has successfully raised HK\$1.6 billion in March 2012. It was met with popular demand and resulted in an oversubscription of approximately 19 times of the total number of rights shares available under the rights issue, at the subscription price of HK\$2.02 each and on the basis of 3 rights shares for every 8 ordinary shares. The fund will be used as general working capital and to finance new investment opportunities.

The Group is extremely well-positioned to enter the second half of 2012 with an encouraging start. With the continued strong trend in Macau tourism performance, all core businesses have demonstrated positive growth. It has also been diligently preparing for various new projects that hold promising returns for investors as well as synergistic opportunities for existing businesses.

Financial Review

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

The Group's bank balances and deposits amounted to HK\$7,305 million at 30 June 2012, representing an increase of HK\$1,956 million as compared with the position as at 31 December 2011. It is the Group's policy to secure adequate funding to satisfy cash flows required for working capital and investing activities. Total bank loan facilities available to the Group as at 30 June 2012 amounted to HK\$11,299 million, of which HK\$5,745 million remained undrawn. The Group's bank borrowings outstanding at the period end amounted to HK\$5,554 million. The Group's borrowings also comprised the liability component of guaranteed convertible bonds of HK\$1,499 million.

In March 2012, the Company strengthened its equity base by an issue of 814,603,832 new ordinary shares at HK\$2.02 each by way of rights issue. Net proceeds of approximately HK\$1.6 billion was received.

On 6 June 2012, the shareholders of the Company passed an ordinary resolution to increase the authorised share capital of the Company from HK\$1,000 million to HK\$1,500 million by the creation of 2,000,000,000 additional ordinary shares at par value of HK\$0.25 each.

As the Group had a net cash balance at the period end, no gearing ratio is presented (at 31 December 2011: a gearing ratio of 12.0% expressed as a ratio of net borrowings to equity attributable to owners of the Company). The Group will continue with its financial strategy of maintaining a healthy gearing ratio and consider steps to effectively manage its finance costs.

The maturity profile of the Group's borrowings as at 30 June 2012 is set out below:

Maturity Profile

Within 1 year	1-2 years	2-5 years	Total
58%	28%	14%	100%

In May 2008, the Group agreed to acquire the land development rights of Nam Van site in Macau at a consideration of HK\$3,145 million. The outstanding commitment of which at the period end amounted to about HK\$2,830 million.

Event after the Balance Sheet Date

On 18 April 2012, the Group entered into a provisional agreement with an independent third party for the disposal of the investment properties at Star House, Tsimshatsui at a cash consideration of HK\$645 million. Details of the transaction were disclosed in the announcement dated 18 April 2012. The transaction was completed on 17 August 2012. The Group recognised a gain of HK\$269 million from change in fair value of the above investment properties for the six months ended 30 June 2012. After the completion, the related transaction cost on the disposal of approximately HK\$7 million would be reflected in the second half of 2012. The Group would thus recognise a net gain of approximately HK\$262 million in total from the transaction.

Charges on Assets

At the period end, bank loans to the extent of approximately HK\$1,673 million (at 31 December 2011: HK\$1,775 million) were secured with charges on certain assets of the Group amounting to an aggregate carrying value of HK\$9,246 million (at 31 December 2011: HK\$9,004 million). Out of the above secured bank loans, an aggregate amount of HK\$1,478 million (at 31 December 2011: HK\$1,505 million) was also secured by pledges of shares in certain subsidiaries.

Financial Review

Contingent Liabilities

There were no material contingent liabilities of the Group at the period end.

Financial Risk

The Group adopts a conservative policy in financial risk management with minimal exposure to currency and interest rate risks. Except for the guaranteed convertible bonds, all the funds raised by the Group are on a floating rate basis. None of the Group's outstanding borrowings was denominated in foreign currency at the period end. Approximately 96% of the bank deposits, cash and bank balances are denominated in Hong Kong dollar and United States dollar with the remaining balance mainly in Renminbi and Macau pataca. The Group's principal operations are primarily conducted in Hong Kong dollar so that the exposure to foreign exchange fluctuations is minimal. While the Group has financial assets and liabilities denominated in the United States dollar and Macau pataca, they are continuously pegged to Hong Kong dollar and the exposure to currency risk for such currencies is minimal to the Group. The Group engages in fuel hedging activities to minimise its exposure to fluctuations in fuel prices in accordance with the Group's approved treasury policies.

Human Resources

The Group, including subsidiaries but excluding associates and jointly controlled entities, employed approximately 3,000 employees at the period end. The Group adopts competitive remuneration packages for its employees. Promotion and salary increments are based on performance. Social activities are organised to foster team spirit amongst employees and they are encouraged to attend training classes that are related to the Group's businesses and developments.

Condensed Consolidated Income Statement

For the six months ended 30 June

		(Unaudited) 2012 (HK\$'000)	(Unaudited) 2011 (HK\$'000)
	Note		
Turnover	3	1,606,498	1,159,968
Other revenues		68,166	56,172
		1,674,664	1,216,140
Other net income	4	335	4,482
Cost of inventories sold or consumed		(535,441)	(366,428)
Staff costs		(433,586)	(357,936)
Depreciation and amortisation		(123,434)	(91,835)
Other costs		(496,055)	(435,052)
Fair value changes on investment properties		505,874	232,529
Operating profit	3, 5	592,357	201,900
Finance costs	6	(70,013)	(62,518)
Share of results of associates		5,134	4,758
Share of results of jointly controlled entities		564,413	135,219
Profit before taxation		1,091,891	279,359
Taxation	7	(22,626)	(29,020)
Profit for the period		1,069,265	250,339

Condensed Consolidated Income Statement

For the six months ended 30 June

		(Unaudited) 2012 (HK\$'000)	(Unaudited) 2011 (HK\$'000)
	Note		
Attributable to:			
Owners of the Company		1,003,628	222,186
Non-controlling interests		65,637	28,153
Profit for the period		1,069,265	250,339
Earnings per share (HK cents)	9		
– basic		36.0	9.0
– diluted		34.6	9.0

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June

	(Unaudited) 2012 (HK\$'000)	(Unaudited) 2011 (HK\$'000)
Profit for the period	1,069,265	250,339
Other comprehensive income/(loss)		
Available-for-sale investments:		
Changes in fair value	(1,255)	(16,238)
Reclassification adjustment for losses included in profit or loss	9,547	6,515
Cash flow hedges:		
Changes in fair value	(3,850)	23,794
Deferred tax	635	(3,926)
Reclassification adjustment for gains included in profit or loss	(12,599)	(29,222)
Deferred tax	2,079	4,822
Properties:		
Reclassification adjustment for gains included in profit or loss upon sales of properties	—	(847)
Deferred tax	—	99
Exchange differences on translation of financial statements of foreign operations	(5,171)	8,359
Other comprehensive loss for the period, net of tax	(10,614)	(6,644)
Total comprehensive income for the period	1,058,651	243,695

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June

	(Unaudited) 2012 (HK\$'000)	(Unaudited) 2011 (HK\$'000)
Attributable to:		
Owners of the Company	1,002,844	214,702
Non-controlling interests	55,807	28,993
Total comprehensive income for the period	1,058,651	243,695

Condensed Consolidated Balance Sheet

		(Unaudited) 30 June 2012 (HK\$'000)	(Audited) 31 December 2011 (HK\$'000)
	Note		
Non-current assets			
Property, plant and equipment	10	2,365,499	2,476,640
Investment properties	11	3,849,561	3,993,927
Leasehold land		8,537	8,658
Associates		193,482	190,848
Jointly controlled entities		2,947,802	2,664,040
Intangible assets		365,305	365,497
Available-for-sale investments	12	1,007,378	994,699
Mortgage loans receivable		9,583	7,049
Deferred tax assets		36,429	33,332
Other non-current assets		580,360	874,567
		11,363,936	11,609,257
Current assets			
Properties for or under development		11,025,081	10,766,518
Inventories		518,472	384,408
Trade receivables, other receivables and deposits paid	13	1,876,508	1,176,997
Available-for-sale investments		11,924	11,903
Taxation recoverable		5,345	6,359
Bank deposits, cash and bank balances		7,304,891	5,348,927
		20,742,221	17,695,112
Investment properties classified as held for sale	11	645,000	—
		21,387,221	17,695,112

Condensed Consolidated Balance Sheet

		(Unaudited) 30 June 2012 (HK\$'000)	(Audited) 31 December 2011 (HK\$'000)
	Note		
Current liabilities			
Trade and other payables and receipts in advance	13	701,242	670,655
Sales deposits received		1,081,643	74,224
Bank borrowings		2,618,600	1,950,400
Convertible bonds	14	1,499,390	1,487,465
Derivative financial instruments		17,741	998
Provision for employee benefits		18,189	18,873
Taxation payable		75,430	68,079
		6,012,235	4,270,694
Net current assets		15,374,986	13,424,418
Total assets less current liabilities		26,738,922	25,033,675

		(Unaudited)	(Audited)
		30 June	31 December
		2012	2011
	Note	(HK\$'000)	(HK\$'000)
Non-current liabilities			
Receipts in advance		35,522	33,226
Bank borrowings		2,934,825	3,815,025
Deferred tax liabilities		958,270	949,173
Loans from non-controlling shareholders		1,827,056	1,798,342
		5,755,673	6,595,766
Net assets			
		20,983,249	18,437,909
Equity			
Share capital	15	746,720	543,069
Reserves		17,647,440	15,242,083
Proposed dividends		—	119,475
Equity attributable to owners			
of the Company		18,394,160	15,904,627
Non-controlling interests		2,589,089	2,533,282
Total equity			
		20,983,249	18,437,909

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2012 (unaudited)

	Equity attributable to owners of the Company															
	Share capital (HK\$'000)	Share premium (HK\$'000)	Capital redemption reserve (HK\$'000)	Capital reserve (HK\$'000)	Convertible bonds equity reserve (HK\$'000)	Legal reserve (HK\$'000)	Special reserve (HK\$'000)	Investment revaluation reserve (HK\$'000)	Hedging reserve (HK\$'000)	Asset revaluation reserve (HK\$'000)	Exchanges reserve (HK\$'000)	Retained profits (HK\$'000)	Proposed dividends (HK\$'000)	Total equity (HK\$'000)	Non-controlling interests (HK\$'000)	Total equity (HK\$'000)
At 1 January 2012	543,063	7,48,074	100,170	28,848	80,397	9,452	(151,413)	67,348	(35)	1,179,553	64,972	6,414,207	119,475	15,304,627	2,533,262	18,437,909
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	1,003,628	-	1,003,628	65,627	1,069,255
Available-for-sale investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in fair value	-	-	-	-	-	-	(1,255)	-	-	-	-	-	-	(1,255)	-	(1,255)
Reclassification adjustment for losses included in profit or loss	-	-	-	-	-	-	9,547	-	-	-	-	-	-	9,547	-	9,547
Cash flow hedges	-	-	-	-	-	-	-	-	(1,940)	-	-	-	-	(1,940)	(2,210)	(3,050)
Changes in fair value	-	-	-	-	-	-	-	-	(5,367)	-	-	-	-	(5,367)	(7,222)	(12,589)
Reclassification adjustment for gains included in profit or loss	-	-	-	-	-	-	-	1,156	-	-	-	-	-	1,156	1,358	2,714
Deferred tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	-	-	(3,225)	-	-	-	(3,225)	(1,946)	(5,171)
Other comprehensive income/(loss) for the period	-	-	-	-	-	-	8,292	(5,851)	-	(3,225)	-	-	-	(784)	(9,820)	(10,614)
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	8,292	(5,851)	-	(3,225)	-	1,003,628	-	1,002,944	55,807	1,058,651
Issue of shares on rights issue	203,651	1,447,849	-	-	-	-	-	-	-	-	-	-	-	1,651,500	-	1,651,500
Transaction costs attributable to issue of shares	-	(38,338)	-	-	-	-	-	-	-	-	-	-	-	(39,338)	-	(39,338)
2011 Final dividend	-	-	-	-	-	-	-	-	-	-	-	-	(119,475)	(119,475)	-	(119,475)
At 30 June 2012	746,720	8,851,937	100,170	28,848	80,397	9,452	(151,413)	76,240	(6,206)	1,179,553	61,877	7,417,915	-	18,394,160	2,598,069	20,992,249

For the six months ended 30 June 2011 (unaudited)

	Equity attributable to owners of the Company															
	Share capital (H\$'000)	Share premium (H\$'000)	Capital redemption reserve (H\$'000)	Capital reserve (H\$'000)	Convertible bonds equity reserve (H\$'000)	Legal reserve (H\$'000)	Special reserve (H\$'000)	Investment revaluation reserve (H\$'000)	Hedging reserve (H\$'000)	Asset revaluation reserve (H\$'000)	Exchange reserve (H\$'000)	Retained profits (H\$'000)	Proposed dividends (H\$'000)	Total interests (H\$'000)	Non-controlling interests (H\$'000)	Total equity (H\$'000)
At 1 January 2011 as originally stated	543,069	7,449,074	100,170	18,169	80,397	8,972	(151,413)	113,620	13,721	1,715,206	53,726	5,692,600	130,337	15,227,648	2,385,101	17,612,749
adjustment on adoption of amendments to HKAS 12 as restated	-	-	-	-	-	-	-	-	-	-	-	61,190	-	61,190	15,286	76,476
Profit for the period	-	-	-	18,169	80,397	8,972	(151,413)	113,620	13,721	1,715,206	53,726	5,753,790	130,337	15,289,338	2,400,387	17,689,725
Available-for-sale investments	-	-	-	-	-	-	-	-	-	-	-	221,186	-	221,186	28,153	250,339
Changes in fair value	-	-	-	-	-	-	-	(16,239)	-	-	-	-	-	(16,239)	-	(16,239)
Reclassification adjustment for losses included in profit or loss	-	-	-	-	-	-	-	6,515	-	-	-	-	-	6,515	-	6,515
Cash flow hedges	-	-	-	-	-	-	-	-	10,136	-	-	-	-	10,136	13,658	23,794
Changes in fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification adjustment for gains included in profit or loss	-	-	-	-	-	-	-	-	(12,449)	-	-	-	-	(12,449)	(16,773)	(29,222)
Deferred tax	-	-	-	-	-	-	-	-	382	-	-	-	-	382	514	896
Properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reclassification adjustment for gains included in profit or loss upon sales of properties	-	-	-	-	-	-	-	-	-	647	-	-	-	647	-	647
Deferred tax	-	-	-	-	-	-	-	-	-	99	-	-	-	99	-	99
Exchange differences on translation of financial statements of foreign operations	-	-	-	-	-	-	-	-	-	-	4,918	-	-	4,918	3,441	8,359
Other comprehensive income/(loss) for the period	-	-	-	-	-	-	-	9,723	(1,931)	(749)	4,918	-	-	(7,494)	840	(6,644)
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	-	9,723	(1,931)	(749)	4,918	221,186	-	214,702	28,993	243,695
Share options granted	-	-	-	9,879	-	-	-	-	-	-	-	-	-	9,879	-	9,879
2010 final dividend	-	-	-	-	-	-	-	-	-	-	-	-	(130,337)	-	(130,337)	
	-	-	-	9,879	-	-	-	-	-	-	4,918	221,186	(130,337)	94,244	28,993	123,237
At 30 June 2011	543,069	7,449,074	100,170	26,046	80,397	8,972	(151,413)	103,897	11,790	1,714,458	58,644	5,975,976	-	15,383,062	2,425,360	17,817,462

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June

	(Unaudited) 2012 (HK\$'000)	(Unaudited) 2011 (HK\$'000)
Net cash from / (used in) operating activities	70,595	(206,319)
Net cash from investing activities	646,887	594,361
Net cash from financing activities	1,236,210	402,546
Net increase in cash and cash equivalents	1,953,692	790,588
Effect of foreign exchange rates changes	(728)	1,140
Cash and cash equivalents at 1 January	5,348,941	4,264,029
Cash and cash equivalents at 30 June	7,301,905	5,055,757
Analysis of cash and cash equivalents		
Investment funds (classified as available-for-sale investments)	14	14
Bank deposits, cash and bank balances	7,301,891	5,055,743
	7,301,905	5,055,757

Notes to the Condensed Financial Statements

Note 1 Basis of Preparation and Accounting Policies

The unaudited condensed consolidated interim financial statements are prepared in accordance with the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) and Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The accounting policies, methods of computation and presentation used in the preparation of the interim financial statements are consistent with those described in the 2011 annual financial statements.

The preparation of the interim financial statements in conformity with Hong Kong Financial Reporting Standards (“HKFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. Those areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group’s consolidated financial statements are detailed in the 2011 annual financial statements.

Note 2 Changes in Accounting Policies

In the current period, the Group had applied the amendments to HKFRSs issued by the HKICPA that are relevant to its operations and mandatory for annual accounting periods beginning on 1 January 2012. The adoption of the amendments to HKFRSs had no material effect on the results and financial position of the Group for the current and/or prior accounting periods. The Group had early adopted the amendments to HKAS 12 “Income Taxes”, in respect of the recognition of deferred tax on investment properties carried at fair value under HKAS 40 “Investment Property” since the Group’s financial year beginning on 1 January 2011.

Notes to the Condensed Financial Statements

Note 3 Segment Information

The Group's reportable segments are strategic business units that operate different activities. They are managed separately because each business has different products or services and requires different marketing strategies.

The Group currently has four reportable segments namely, property, transportation, hospitality and investment. The segmentations are based on the internal reporting information about the operations of the Group that management reviews regularly to make decisions on allocation of resources between segments and to assess segment performance.

The principal activities of each reportable segment are as follows:

- | | |
|----------------|---|
| Property | - property development and sales, leasing and management services |
| Transportation | - passenger transportation services |
| Hospitality | - hotel operation and travel agency services |
| Investment | - investment holding and others |

Management evaluates performance of the reportable segments on the basis of operating profit or loss before fair value changes on investment properties, non-recurring gains and losses, interest income and unallocated corporate net expense. Inter-segment transactions have been entered into on terms agreed by the parties concerned. The Group's measurement methods used to determine reported segment profit or loss remain unchanged from 2011.

Sales among segments are carried out on terms equivalent to those that prevail in arm's length transactions. The revenues from external parties reported to management are measured in a manner consistent with that in this condensed consolidated interim income statement.

Note 3 Segment Information (Continued)

For the six months ended	Property	Transportation	Hospitality	Investment	Eliminations	Consolidated
30 June 2012	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Turnover and revenue						
External turnover	164,492	1,016,390	355,845	69,771	—	1,606,498
Inter-segment turnover	1,494	101,718	20,827	—	(124,039)	—
Other revenues (external and excluding interest income)	2,995	12,548	1,065	538	—	17,146
	168,981	1,130,656	377,737	70,309	(124,039)	1,623,644
Segment results	8,363	2,161	36,123	43,774	—	90,421
Fair value changes on investment properties	505,874	—	—	—	—	505,874
Interest income						51,020
Unallocated net expense						(54,958)
Operating profit						592,357
Finance costs						(70,013)
Share of results of associates	(4)	332	3,535	1,271	—	5,134
Share of results of jointly controlled entities	575,329	7,491	(15,944)	(2,463)	—	564,413
Profit before taxation						1,091,891
Taxation						(22,626)
Profit for the period						1,069,265

Notes to the Condensed Financial Statements

Note 3 Segment Information (Continued)

For the six months ended	Property	Transportation	Hospitality	Investment	Eliminations	Consolidated
30 June 2011	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Turnover and revenue						
External turnover	142,875	704,399	295,424	17,270	—	1,159,968
Inter-segment turnover	1,658	73,545	14,968	—	(90,171)	—
Other revenues (external and excluding interest income)	4,755	16,147	1,146	1,004	—	23,052
	149,288	794,091	311,538	18,274	(90,171)	1,183,020
Segment results	42,599	(58,515)	14,653	(5,798)	—	(7,061)
Fair value changes on investment properties	232,529	—	—	—	—	232,529
Interest income						33,120
Unallocated net expense						(56,688)
Operating profit						201,900
Finance costs						(62,518)
Share of results of associates	(4)	—	3,314	1,448	—	4,758
Share of results of jointly controlled entities	147,865	5,558	(15,986)	(2,218)	—	135,219
Profit before taxation						279,359
Taxation						(29,020)
Profit for the period						250,339

Note 4 Other Net Income

	2012	2011
For the six months ended 30 June	(HK\$'000)	(HK\$'000)
Net gain on disposal of investment properties	—	4,500
Net loss on disposal of property, plant and equipment	(234)	(550)
Others	569	532
	335	4,482

Note 5 Operating Profit

	2012	2011
For the six months ended 30 June	(HK\$'000)	(HK\$'000)
After crediting:		
Interest income	51,289	33,478
Rental income from investment properties	86,098	82,263
Dividend income from listed investments	6,423	6,407
Dividend income from unlisted investments	52,485	1,088
After charging:		
Cost of inventories		
– properties	7,222	3,561
– fuel	478,078	324,187
– others	50,141	38,680
	535,441	366,428
Impairment losses on available-for-sale investments	9,547	6,515
Share-based payments	—	9,879

Notes to the Condensed Financial Statements

Note 6 Finance Costs

	2012 (HK\$'000)	2011 (HK\$'000)
For the six months ended 30 June		
Total finance costs incurred	82,243	67,865
Less: Amount capitalised in properties under development	(12,230)	(5,347)
	70,013	62,518

Note 7 Taxation

	2012 (HK\$'000)	2011 (HK\$'000)
For the six months ended 30 June		
Hong Kong profits tax	9,079	6,796
Overseas tax	4,006	33,194
Deferred tax	9,541	(10,970)
	22,626	29,020

Hong Kong profits tax is provided for at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits for the period. Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

Note 8 Interim Dividend

The Board has resolved not to declare an interim dividend (2011: nil) in respect of the six months ended 30 June 2012.

Note 9 Earnings per Share

The calculation of basic earnings per share is based on profit attributable to owners of the Company of HK\$1,003,628,000 (2011: HK\$222,186,000) and the weighted average number of 2,790,629,323 (2011: 2,461,619,629, after adjusting for the rights issue completed in March 2012) shares in issue during the period.

The calculation of diluted earnings per share is based on profit attributable to owners of the Company of HK\$1,041,129,000 (2011: HK\$222,186,000) and the weighted average number of 3,005,359,286 (2011: 2,479,152,094, after adjusting for the rights issue completed in March 2012) shares in issue during the period after adjusting for the effects of all dilutive potential ordinary shares.

The earnings per share for the six months ended 30 June 2011 have been adjusted to reflect the effect of rights issue during the period.

Notes to the Condensed Financial Statements

Note 9 Earnings per Share (Continued)

Reconciliations of profit attributable to owners of the Company and the weighted average number of shares used in calculating the basic earnings per share and the diluted earnings per share are as follows:

	Profit attributable to owners of the Company		Weighted average number of shares	
	2012 (HK\$'000)	2011 (HK\$'000)	2012	(restated) 2011
For the six months ended 30 June				
Profit/number of shares for the purpose of basic earnings per share	1,003,628	222,186	2,790,629,323	2,461,619,629
Effect of dilutive potential ordinary shares				
– share options	—	—	2,453,548	17,532,465
– convertible bonds	37,501	—	212,276,415	—
Profit/number of shares for the purpose of diluted earnings per share	1,041,129	222,186	3,005,359,286	2,479,152,094

Note 10 Property, Plant and Equipment

During the period, additions to property, plant and equipment mainly comprised furniture, fixtures and equipment of HK\$21,280,000 (2011: HK\$6,504,000) and net book value of property, plant and equipment disposed of amounted to HK\$248,000 (2011: HK\$565,000).

Note 11 Investment Properties/Investment Properties Classified as Held for Sale

A revaluation of all investment properties was performed on 30 June 2012 by reference to sales evidence as available on the market and where appropriate on the basis of capitalisation of net income. The revaluation was conducted by Savills Valuation and Professional Services Limited, an independent professional valuer, in accordance with Valuation Standards on Properties issued by the Hong Kong Institute of Surveyors.

Further to the Company's announcement in April 2012, the Group completed the disposal of the investment properties at Star House, Tsimshatsui in August 2012. Details of the transaction can be referred to note 21.

Note 12 Available-for-sale Investments

Certain available-for-sale investments of the Group, including an unlisted equity investment in Sociedade de Turismo e Diversões de Macau, S.A. ("STDM"), do not have quoted market prices in an active market and other methods of reasonably estimating fair value are clearly unworkable as the variability in the range of various reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed. These available-for-sale investments are therefore stated at cost and are subject to review for impairment loss.

Notes to the Condensed Financial Statements

Note 13 Trade Receivables and Payables – Ageing Analysis

Trade debtors are managed in accordance with defined credit policies, dependent on market requirements and businesses which they operate. Subject to negotiation, credit is only available for major customers with well-established trading records. The Group offers general credit terms ranging from 0 to 60 days to its customers, except for sale of properties the proceeds from which are receivable pursuant to the terms of the relevant agreements.

The ageing analysis of trade debtors is as follows:

	30 June 2012 (HK\$'000)	31 December 2011 (HK\$'000)
0 – 30 days	83,982	93,979
31 – 60 days	23,044	21,790
61 – 90 days	9,905	8,069
over 90 days	6,365	3,750
	123,296	127,588

Note 13 Trade Receivables and Payables – Ageing Analysis

(Continued)

The ageing analysis of trade creditors is as follows:

	30 June 2012 (HK\$'000)	31 December 2011 (HK\$'000)
0 – 30 days	248,627	316,671
31 – 60 days	4,697	7,156
61 – 90 days	6,568	4,701
over 90 days	8,535	5,588
	268,427	334,116

Note 14 Convertible Bonds

There has been no conversion of the convertible bonds into shares of the Company by the bondholders and no redemption of the convertible bonds by the Group since the issue date. Details of the convertible bonds can be found on the annual financial statements for the year ended 31 December 2011. In February 2012, the conversion price was adjusted in accordance with the terms of the trust deed dated 22 October 2009 from HK\$7.89 to HK\$7.17 per share. Details can be referred to the Company's announcement dated 9 February 2012.

Notes to the Condensed Financial Statements

Note 15 Share Capital

	Note	30 June 2012		31 December 2011	
		Number of shares	(HK\$'000)	Number of shares	(HK\$'000)
Authorised					
Ordinary shares of HK\$0.25 each					
At beginning of the period		4,000,000,000	1,000,000	4,000,000,000	1,000,000
Increase in authorised share capital	(i)	2,000,000,000	500,000	—	—
At end of the period		6,000,000,000	1,500,000	4,000,000,000	1,000,000
Issued and fully paid					
Ordinary shares of HK\$0.25 each					
At beginning of the period		2,172,276,887	543,069	2,172,276,887	543,069
Rights issue	(ii)	814,603,832	203,651	—	—
At end of the period		2,986,880,719	746,720	2,172,276,887	543,069

Notes:

- (i) On 6 June 2012, the shareholders of the Company passed an ordinary resolution to increase the authorised share capital of the Company from HK\$1,000 million to HK\$1,500 million by the creation of 2,000,000,000 additional ordinary shares at par value of HK\$0.25 each.
- (ii) 814,603,832 new ordinary shares of HK\$0.25 each were issued at HK\$2.02 per share by way of rights issue on the basis of three rights shares for every eight then existing shares in March 2012.

Note 16 Charges on Assets

At 30 June 2012, bank loans to the extent of approximately HK\$1,673,425,000 (at 31 December 2011: HK\$1,775,425,000) were secured with charges on certain assets of the Group amounting to an aggregate carrying value of HK\$9,246,090,000 (at 31 December 2011: HK\$9,003,797,000). Out of the above secured bank loans, an aggregate amount of HK\$1,478,425,000 (at 31 December 2011: HK\$1,505,425,000) was also secured by pledges of shares in certain subsidiaries.

Note 17 Significant Related Party Transactions

(a) Details of significant related party transactions during the period were as follows:

For the six months ended 30 June	Note	2012 (HK\$'000)	2011 (HK\$'000)
STDM Group	(i)		
Dividend income from STDM		52,485	—
Ferry tickets sold (after discount) to STDM Group		51,940	58,013
Commission paid to STDM Group on ferry tickets sold by STDM Group		10,921	10,268
Fees received from STDM Group for provision of property related services		13,214	17,393
Rental and related expenses paid to STDM Group		7,428	5,514
Fuel purchased from STDM Group for Macau shipping operations		172,840	179,601
Amount collected by STDM Group for sale of ferry tickets and related services in Macau		193,147	226,979
Amount collected by STDM Group for sale of Bungy Jumping and other outdoor adventure activities in Macau Tower		1,242	6,124
Amount reimbursed to STDM Group for expenses incurred in respect of shipping operations in Macau		24,048	81,145

Notes to the Condensed Financial Statements

Note 17 Significant Related Party Transactions (Continued)

(a) Details of significant related party transactions during the period were as follows: (Continued)

For the six months ended 30 June	Note	2012 (HK\$'000)	2011 (HK\$'000)
Amount reimbursed by STDM Group for staff expenses and administrative resources shared		12,542	10,764
Revenue of duty free goods sold on board collected for STDM		5,080	4,907
Shun Tak Centre Limited ("STC")	(ii)		
Rental and related expenses paid to STC		6,456	5,961
Associates			
Insurance premium paid to an associate		16,814	18,348
Fuel costs paid to an associate		80,715	—
Jointly controlled entities			
Ferry passengers handling fees received on behalf of a jointly controlled entity		16,906	15,603
Amounts paid to a jointly controlled entity in respect of the Chatham Gate redevelopment project for			
– management fee		12,394	4,102
– related construction cost and preliminary works		233,044	75,530

Note 17 Significant Related Party Transactions (Continued)

(a) Details of significant related party transactions during the period were as follows: (Continued)

For the six months ended 30 June	Note	2012 (HK\$'000)	2011 (HK\$'000)
Key management personnel			
Directors' emoluments			
Salaries and other short-term employee benefits		12,043	9,730
Post-employment benefits		566	478
Share-based payments		—	9,879
Underwriting commission on rights issue paid to Megaprospers Investments Limited ("Megaprospers")	(iii)	6,424	—

Notes to the Condensed Financial Statements

Note 17 Significant Related Party Transactions (Continued)

(b) At the balance sheet date, the Group had the following balances with related parties:

	Note	30 June 2012 (HK\$'000)	31 December 2011 (HK\$'000)
STDM Group	(i)		
Net payable to STDM Group	(iv)	6,647	7,324
Associates			
Amounts due by associates	(v)	22,350	22,350
Jointly controlled entities			
Amounts due by jointly controlled entities	(vi)	562,528	856,811
Construction costs payable to a jointly controlled entity		62,427	43,320
Key management personnel			
Non-controlling shareholder's loan from a company in which Dr. Stanley Ho has beneficial interests	(vii)	87,707	87,707
Refundable deposit paid by a subsidiary to Sai Wu Investment Limited ("Sai Wu")	(viii)	500,000	500,000

Note 17 Significant Related Party Transactions (Continued)

Notes:

- (i) Dr. Stanley Ho, Dato' Dr. Cheng Yu Tung, Mrs. Louise Mok, Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho and Mr. David Shum, Directors of the Company, have beneficial interests in STDM. Dr. Stanley Ho, Ms. Pansy Ho (as appointed representative of the Company), Ms. Daisy Ho (as appointed representative of Lanceford Company Limited) and Mr. David Shum (as appointed representative of Interdragon Limited) are directors of STDM.
- (ii) Dr. Stanley Ho is a director of and has beneficial interests in STC. Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho and Mr. David Shum are also directors of STC.
- (iii) On 19 January 2012, Megaprospere (a company owned as to 51% by Ms. Pansy Ho, 39% by Ms. Daisy Ho and 10% by Ms. Maisy Ho, each being a director of the Company) together with two joint underwriters entered into an underwriting agreement (the "Underwriting Agreement") with the Company to underwrite all the underwritten shares that are not taken up by the qualifying shareholders, except the undertaking shareholders, in the rights issue subject to the terms and conditions stipulated in the Underwriting Agreement. Under the Underwriting Agreement, the underwriting commission is 2.75% of the aggregate subscription price of the total underwritten shares.
- (iv) Net payable to STDM Group comprises trade and other receivables and payables.
- (v) Amounts due by associates are unsecured, non-interest bearing and with no fixed term of repayment.
- (vi) Amounts due by jointly controlled entities are unsecured. Amount of HK\$4,657,000 (at 31 December 2011: HK\$4,734,000) is repayable within one year. The remaining balances have no fixed term of repayment. Amounts of HK\$539,303,000 (at 31 December 2011: HK\$828,044,000) and HK\$4,657,000 (at 31 December 2011: HK\$4,657,000) carry interest at HIBOR plus 3% (at 31 December 2011: HIBOR plus 3%) per annum and LIBOR plus 2% (at 31 December 2011: LIBOR plus 2%) per annum respectively on loan principal. The remaining balances are non-interest bearing. The related interest income for the first half of 2012 amounted to HK\$11,854,000 (2011: HK\$18,475,000). In 2011, amount due by a jointly controlled entity amounted to HK\$23,692,000 was written off against the impairment loss previously provided.

Notes to the Condensed Financial Statements

Note 17 Significant Related Party Transactions (Continued)

Notes: (Continued)

- (vii) The subsidiary, Shun Tak Cultural Centre Limited, holds 100% interest in Shun Tak Business Centre in Guangzhou and is owned as to 60% by the Group and 40% by a company in which Dr. Stanley Ho has beneficial interests. The non-controlling shareholder's loan is unsecured, non-interest bearing and with no fixed term of repayment.
- (viii) The subsidiary, Shun Tak Nam Van Investment Limited ("Shun Tak Nam Van"), entered into a conditional sale and purchase agreement with Sai Wu, a company beneficially owned as to 60% by Dr. Stanley Ho and 40% by other independent third parties, to acquire the interest in the land development right in respect of the property sites adjoining the Macau Tower in Nam Van, Macau. The refundable deposit was paid by Shun Tak Nam Van to Sai Wu in order to further extend the completion date of the acquisition without changing the consideration or other terms of the acquisition. The completion date of the acquisition was further extended to on or before 31 December 2013.

Note 18 Commitments

(a) Capital commitments

	30 June 2012 (HK\$'000)	31 December 2011 (HK\$'000)
Contracted but not provided for	3,689	8,879
Authorised but not contracted for	1,841	1,729
	5,530	10,608

In addition to the above, the Group had commitments of payment of HK\$3,080 million (at 31 December 2011: HK\$3,080 million) in cash and issue of 148,883,374 (at 31 December 2011: 148,883,374) ordinary shares of the Company for the acquisition of the interests in the land development rights in respect of the property sites adjoining the Macau Tower in Nam Van, Macau.

Note 18 Commitments (Continued)

(b) Property development commitments

The Group had outstanding commitments of HK\$1,220 million (at 31 December 2011: HK\$741 million) under various contracts for property development projects.

Note 19 Contingent Liabilities

There are no material changes in contingent liabilities of the Group since 31 December 2011.

Note 20 Financial Instruments

Financial risk management

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign exchange risk, interest rate risk and price risk).

The interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the 2011 annual financial statements.

There have been no changes in any risk management policies since year end.

Notes to the Condensed Financial Statements

Note 20 Financial Instruments (Continued)

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

At 30 June 2012	Level 1 (HK\$'000)	Level 2 (HK\$'000)	Level 3 (HK\$'000)	Total (HK\$'000)
Assets				
Available-for-				
sale investments				
– equity securities	171,535	—	—	171,535
– investment funds	14	32,132	—	32,146
Total assets	171,549	32,132	—	203,681
Liabilities				
Derivatives used				
for hedging	—	(17,741)	—	(17,741)
Total liabilities	—	(17,741)	—	(17,741)

Note 20 Financial Instruments (Continued)

Fair value estimation (Continued)

	Level 1	Level 2	Level 3	Total
At 31 December 2011	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Assets				
Available-for-				
sale investments				
– equity securities	163,814	—	—	163,814
– investment funds	14	27,152	—	27,166
Total assets	163,828	27,152	—	190,980
Liabilities				
Derivatives used				
for hedging	—	(998)	—	(998)
Total liabilities	—	(998)	—	(998)

During the six months ended 30 June 2012, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements. There were no significant changes in the business or economic circumstances that affect the fair value of the Group's financial assets and financial liabilities and there were no reclassifications of financial assets during the same period.

Notes to the Condensed Financial Statements

Note 21 Event after the Balance Sheet Date

On 18 April 2012, the Group entered into a provisional agreement with an independent third party for the disposal of the investment properties at Star House, Tsimshatsui at a cash consideration of HK\$645 million. Details of the transaction were disclosed in the announcement dated 18 April 2012. The transaction was completed on 17 August 2012. The Group recognised a gain of HK\$269 million from change in fair value of the above investment properties for the six months ended 30 June 2012. After the completion, the related transaction cost on the disposal of approximately HK\$7 million would be reflected in the second half of 2012. The Group would thus recognise a net gain of approximately HK\$262 million in total from the transaction.

Disclosure of Interests

(1) Disclosure of Directors' Interests

As at 30 June 2012, the interests or short positions of the directors ("Directors") and chief executive of the Company and their respective associates in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

(a) Interests of the Directors in Shares and Underlying Shares of the Company

Name of Director	Nature of interests	Number of shares held		Note	Approximate percentage of total issued shares Note (i)
		Personal interests	Corporate interests		
		Note	Note		
Dr. Stanley Ho	Interests in unissued shares	—	148,883,374	(iv)	4.98%
	Interests in underlying shares	1,798,559	—	(ii)	0.06%
Sir Roger Lobo	Interests in underlying shares	1,132,124	—	(ii)	0.04%
Mr. Norman Ho	Interests in underlying shares	1,132,124	—	(ii)	0.04%
Mr. Charles Ho	Interests in underlying shares	1,132,124	—	(ii)	0.04%
Dato' Dr. Cheng Yu Tung	Interests in underlying shares	1,132,124	—	(ii)	0.04%
Mrs. Louise Mok	Interests in issued shares	471,112	—	—	0.02%
	Interests in underlying shares	1,132,124	—	(ii)	0.04%
Mr. Michael Ng	Interests in unissued shares	11,244,660	—	(iii)	0.38%
Ms. Pansy Ho	Interests in issued shares	64,745,455	313,798,627	(v)	12.67%
	Interests in unissued shares	—	148,883,374	(iv)	4.98%
	Interests in underlying shares	11,509,669	—	(ii)	0.39%
Ms. Daisy Ho	Interests in issued shares	66,860,489	134,503,471	(vi)	6.74%
	Interests in unissued shares	—	148,883,374	(iv)	4.98%
Ms. Maisy Ho	Interests in underlying shares	13,775,856	—	(ii)	0.46%
	Interests in issued shares	16,060,598	31,717,012	(vii)	1.60%
Mr. David Shum	Interests in underlying shares	22,840,605	—	(ii)	0.76%
	Interests in underlying shares	5,660,377	—	(ii)	0.19%

Disclosure of Interests

Notes:

- (i) As at 30 June 2012, the total number of issued shares of the Company was 2,986,880,719.
- (ii) These represented the interests in underlying shares in respect of share options granted by the Company, details of which are disclosed in sub-paragraph (2) headed "Share Options" below.
- (iii) These interests in underlying shares comprised (a) 5,665,860 underlying shares in respect of share options granted by the Company, details of which are disclosed in sub-paragraph (2) headed "Share Options" below; and (b) 5,578,800 shares issuable to Mr. Michael Ng upon conversion of the Convertible Bonds (as defined hereunder in sub-paragraph (1)(d) headed "Interests of the Directors in Debentures of Subsidiaries of the Company") for an aggregate nominal amount of HK\$40,000,000 held by him as at 30 June 2012 and based on the adjusted conversion price of HK\$7.17 (with effect from 6 February 2012) per share, details of which are disclosed in sub-paragraph (1)(d) headed "Interests of the Directors in Debentures of Subsidiaries of the Company" below.
- (iv) These 148,883,374 unissued shares, of which Dr. Stanley Ho, Ms. Pansy Ho and Ms. Daisy Ho were deemed to be interested by virtue of the SFO, were the same parcel of shares, and represented shares to be issued to Alpha Davis Investments Limited ("ADIL") upon completion of the acquisition as described in the Company's circular dated 17 December 2004. ADIL is owned as to 47% by Innowell Investments Limited ("IIL") and 53% by Megaprospers Investments Limited ("MIL"). IIL is wholly owned by Dr. Stanley Ho. MIL is owned as to 51% by Ms. Pansy Ho and 39% by Ms. Daisy Ho.
- (v) These 313,798,627 shares, of which Ms. Pansy Ho was deemed to be interested by virtue of the SFO, comprised 184,396,066 shares held by Beeston Profits Limited ("BPL") and 129,402,561 shares held by Classic Time Developments Limited ("CTDL"). Both BPL and CTDL are wholly owned by Ms. Pansy Ho.
- (vi) These 134,503,471 shares, of which Ms. Daisy Ho was deemed to be interested by virtue of the SFO, were held by St. Lukes Investments Limited, which is wholly owned by Ms. Daisy Ho.
- (vii) These 31,717,012 shares, of which Ms. Maisey Ho was deemed to be interested by virtue of the SFO, were held by LionKing Offshore Limited, which is wholly owned by Ms. Maisey Ho.

(b) Interests of the Directors in Shares and Underlying Shares of Subsidiaries of the Company

Name of Director	Name of subsidiary	Corporate interests	Percentage of total issued shares Note (i)
Dr. Stanley Ho	Shun Tak Cultural Centre Limited	4 ordinary shares	40.00%

Note:

- (i) As at 30 June 2012, there was a total of 10 ordinary shares of Shun Tak Cultural Centre Limited in issue.

(c) Interests of the Directors in Shares and Underlying Shares of Other Associated Corporations of the Company

Name of Director	Name of associated corporation	Corporate interests	Approximate percentage of total issued shares Note
Ms. Pansy Ho	Shun Tak & CITS Coach (Macao) Limited	750 shares	(i) 15.00%
Mr. Rogier Verhoeven	Shun Tak Magsaysay China Recruitment and Training Limited	1,900 shares	(ii) 15.10%

Notes:

- (i) As at 30 June 2012, there was a total of 5,000 shares of Shun Tak & CITS Coach (Macao) Limited in issue.
- (ii) As at 30 June 2012, there was a total of 12,581 shares of Shun Tak Magsaysay China Recruitment and Training Limited in issue.

Disclosure of Interests

(d) Interests of the Directors in Debentures of Subsidiaries of the Company

Name of Director	Name of subsidiary	Personal interests	Approximate percentage of aggregate nominal amount of the Convertible Bonds in issue Note (i)
Mr. Michael Ng	Joyous King Group Limited	HK\$40,000,000 Note (ii)	2.58%

Notes:

- (i) *As at 30 June 2012, 3.3% guaranteed convertible bonds due 2014 for an aggregate nominal amount of HK\$1,550,000,000 were issued by Joyous King Group Limited, a wholly-owned subsidiary of the Company (the "Convertible Bonds").*
- (ii) *These Convertible Bonds for an aggregate nominal amount of HK\$40,000,000 held by Mr. Michael Ng as at 30 June 2012 would be convertible into 5,578,800 shares of the Company, representing approximately 0.19% of the issued share capital of the Company as at 30 June 2012, at the adjusted conversion price of HK\$7.17 (with effect from 6 February 2012) per share during the conversion period from 22 October 2010 to 15 October 2014 subject to the terms and conditions of the Convertible Bonds. These interests duplicate Mr. Michael Ng's interests in underlying shares of the Company as disclosed in sub-paragraph (1)(a) headed "Interests of the Directors in Shares and Underlying Shares of the Company" above.*

All the interests disclosed in sub-paragraphs (1)(a) to (1)(d) above represented long position interests in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

Save as disclosed in sub-paragraphs (1)(a) to (1)(d) above, none of the Directors or chief executive of the Company or any of their associates had or were deemed to have any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, as at 30 June 2012.

(2) Share Options

The share option scheme approved by the shareholders of the Company on 31 May 2002 (the “2002 Share Option Scheme”) expired on 30 May 2012. Thereafter, no further options will be granted under the 2002 Share Option Scheme but the subsisting options granted thereunder prior to the expiry date will continue to be valid and exercisable in accordance with the terms of the 2002 Share Option Scheme. At the annual general meeting of the Company held on 6 June 2012 (“2012 AGM”), the shareholders of the Company passed a resolution for the adoption of a new share option scheme (the “2012 Share Option Scheme”) under which the Directors may grant options to eligible persons to subscribe for the Company’s shares subject to the terms and conditions as stipulated therein. Unless otherwise cancelled or amended, the 2012 Share Option Scheme will remain valid for a period of 10 years from the adoption date.

Disclosure of Interests

Details of share options granted to the Directors under the 2002 Share Option Scheme and outstanding share options as at the beginning and end of the period were as follows:

Name of Director	Note	Date of grant	Exercise period	Original exercise price per share (HK\$)	Adjusted exercise price per share (HK\$) Note (iv)	Number of share options outstanding		
						At 1 January 2012	Adjustment during the period Note (iv)	At 30 June 2012
Dr. Stanley Ho	(i)	25 May 2004	25 May 2004 to 24 May 2014	3.15	2.78	1,587,300	211,259	1,798,559
Sir Roger Lobo	(i)	29 March 2011	29 March 2011 to 27 March 2021	4.37	3.86	1,000,000	132,124	1,132,124
Mr. Norman Ho	(i)	29 March 2011	29 March 2011 to 27 March 2021	4.37	3.86	1,000,000	132,124	1,132,124
Mr. Charles Ho	(i)	29 March 2011	29 March 2011 to 27 March 2021	4.37	3.86	1,000,000	132,124	1,132,124
Dato' Dr. Cheng Yu Tung	(i)	29 March 2011	29 March 2011 to 27 March 2021	4.37	3.86	1,000,000	132,124	1,132,124
Mrs. Louise Mok	(i)	29 March 2011	29 March 2011 to 27 March 2021	4.37	3.86	1,000,000	132,124	1,132,124
Mr. Michael Ng	(ii)	1 February 2010	1 April 2010 to 31 January 2015	4.68	4.13	2,500,000	332,930	2,832,930
	(iii)	1 February 2010	1 April 2011 to 31 January 2015	4.68	4.13	2,500,000	332,930	2,832,930
Ms. Pansy Ho	(i)	25 May 2004	25 May 2004 to 24 May 2014	3.15	2.78	10,157,740	1,351,929	11,509,669
Ms. Daisy Ho	(i)	25 May 2004	25 May 2004 to 24 May 2014	3.15	2.78	12,157,740	1,618,116	13,775,856
Ms. Maisy Ho	(i)	25 May 2004	25 May 2004 to 24 May 2014	3.15	2.78	20,157,740	2,682,865	22,840,605
Mr. David Shum	(i)	22 September 2004	22 September 2004 to 21 September 2014	4.20	3.71	5,000,000	660,377	5,660,377

Notes:

- (i) *These share options are exercisable during a period of 10 years commencing from their respective dates of grant. These share options were all vested on their respective dates of grant.*
- (ii) *These share options were vested on 1 April 2010.*
- (iii) *These share options were vested on 1 April 2011.*
- (iv) *The exercise prices and the number of shares of the Company to be issued under the 2002 Share Option Scheme were adjusted with effect from 9 March 2012, upon allotment and issue of rights shares to the shareholders of the Company, as announced by the Company on 9 March 2012.*
- (v) *Save for the share options set out in the table above, no other share options were granted under the 2002 Share Option Scheme and the 2012 Share Option Scheme. No share options granted under the 2002 Share Option Scheme were exercised, cancelled or lapsed during the period.*

Save as disclosed above, as at 30 June 2012, none of the Directors or their spouses or children under 18 years of age were granted any rights to subscribe for any equity or debt securities of the Company or any of its associated corporations under the share option schemes.

(3) Substantial Shareholders

As at 30 June 2012, according to the register of interests or short positions in shares required to be kept by the Company under Section 336 of the SFO, other than the interests of the Directors and chief executive of the Company, the following shareholders were interested in 5% or more of the issued share capital of the Company:

Disclosure of Interests

Name of shareholder	Note	Nature of interests	Capacity	Long position/ Short position	Number of shares/ underlying shares held	Approximate percentage of total issued shares Note (i)
Hanika Realty Company Limited ("Hanika")	(ii)	Interests in issued shares	Beneficial owner	Long position	549,315,585	18.39%
Ranillo Investments Limited ("Ranillo") and its subsidiaries	(ii)	Interests in issued shares	Interests of controlled corporation	Long position	553,077,677	18.52%
Shun Tak Shipping Company, Limited ("STS") and its subsidiaries	(iii)	Interests in issued shares	Beneficial owner and interests of controlled corporation	Long position	423,578,668	14.18%
Beeston Profits Limited ("BPL")	(iv)	Interests in issued shares	Beneficial owner	Long position	184,396,066	6.17%

Notes:

- (i) As at 30 June 2012, the total number of issued shares of the Company was 2,986,880,719.
- (ii) These 553,077,677 shares comprised 549,315,585 shares held by Hanika which voting rights are owned as to 14.2% by Ms. Pansy Ho and 71.5% by Ranillo and 3,762,092 shares held by Lanceford Company Limited, which is wholly-owned by Ranillo. Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho have beneficial interests in Ranillo. Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho have beneficial interests in Ranillo. Accordingly, the interests of Hanika in the Company duplicate the interests of Ranillo in the Company as described above. Ms Pansy Ho and Ms. Daisy Ho are directors of Hanika and Ranillo and Ms. Maisy Ho is a director of Hanika.
- (iii) Dr. Stanley Ho is a director of STS, Dato' Dr. Cheng Yu Tung, Ms. Pansy Ho and Ms. Daisy Ho have beneficial interests in and are directors of STS. Mrs. Louise Mok, Ms. Maisy Ho and Mr. David Shum have beneficial interests in STS.
- (iv) Ms. Pansy Ho has 100% interests in and is a director of BPL.

Save as disclosed above, no other person (other than the Directors and the chief executive of the Company) had any interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO as at 30 June 2012.

Purchase, Sale or Redemption of Listed Securities

During the six months ended 30 June 2012, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

Corporate Governance Code

In the opinion of the Board of the Company, the Company has complied with the applicable code provisions in the Code on Corporate Governance Practices (effective until 31 March 2012) and the Corporate Governance Code (effective from 1 April 2012) (collectively the "Code") set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2012, except as noted hereunder.

Code provision A.6.7 in the Code provides that independent non-executive directors and other non-executive directors should attend general meetings. Mr. Norman Ho, Mr. Charles Ho and Dato' Dr. Cheng Yu Tung were unable to attend the 2012 AGM as they had overseas and/or other engagements.

The first part of code provision E.1.2 in the Code states that the chairman of the board should attend the annual general meeting. In the absence of the Group Executive Chairman of the Company at the 2012 AGM, the Managing Director of the Company (who is also the chairman of the executive committee) took the chair together with the chairman of the remuneration committee and other directors, made themselves available to answer shareholders' questions of the Company and various Board committees.

Save as aforesaid, the corporate governance practices adopted by the Company during the period were generally in line with those disclosed in the report on corporate governance practices set out in 2011 annual report of the Company.

Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors' securities transactions. All the Directors have confirmed, following specific enquiry by the Company on each of them, that they had fully complied with the Model Code throughout the six months ended 30 June 2012.

Disclosure of Changes in Directors' Information

Changes in Directors' biographical details and information since 26 March 2012, the date to which the 2011 annual report of the Company was made up, that are required to be disclosed pursuant to Rule 13.51(2) and Rule 13.51B(1) of the Listing Rules, are set out below:

Name of Director	Changes in Directors' biographical details and information
Sir Roger Lobo	<ul style="list-style-type: none">• Sir Roger Lobo was appointed as chairman of the remuneration committee of the Company with effect from 30 March 2012.
Mr. Norman Ho	<ul style="list-style-type: none">• Mr. Norman Ho was appointed as director of a subsidiary of the Company with effect from 21 June 2012.
Mr. Charles Ho	<ul style="list-style-type: none">• Mr. Charles Ho was appointed as chairman of the nomination committee of the Company with effect from 30 March 2012.
Mr. Michael Ng	<ul style="list-style-type: none">• Mr. Michael Ng had resigned as an executive director, the chief executive officer and a member of each of the remuneration committee and the executive committee of Viva China Holdings Limited (stock code: 8032), a company listed on the Growth Enterprise Market of the Stock Exchange, with effect from 31 August 2012.

Name of Director**Changes in Directors' biographical details and information**

Ms. Pansy Ho

- Ms. Pansy Ho ceased to be the Chairperson of the remuneration committee and nomination committee of the Company, but remains as a member of the said committees, all with effect from 30 March 2012.
- Ms. Pansy Ho had been appointed as chairman of Shun Tak – China Travel Shipping Investments Limited with effect from 16 May 2012.
- Ms. Pansy Ho ceased to be a non-executive director of Qin Jia Yuan Media Services Company Limited (stock code: 2366), a company listed on the Main Board of the Stock Exchange, with effect from 28 May 2012.

Mr. Rogier Verhoeven

- Mr. Rogier Verhoeven was appointed as director of a subsidiary of the Company with effect from 20 June 2012.

Other Changes in Directors' Information

1. Innowell Investments Limited ("IIL"), Megaprospers Investments Limited ("MIL") and Alpha Davis Investments Limited ("ADIL") ceased to be substantial shareholders of the Company with effect from 9 March 2012. Dr. Stanley Ho is a director of IIL and ADIL. Ms. Pansy Ho and Ms. Daisy Ho are directors of IIL, MIL and ADIL.
2. At the 2012 AGM, the shareholders of the Company approved the directors' fee of HK\$50,000 per annum be payable to each of the executive and non-executive Directors, and HK\$300,000 per annum be payable to each of the independent non-executive Directors. In addition, the remuneration of HK\$30,000 per annum be payable to the chairman of audit committee and HK\$10,000 per annum be payable to chairman of each of the remuneration committee and nomination committee.

Save for the information disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Review by Audit Committee

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2012 of the Company have been reviewed by the audit committee of the Company. At the request of the Directors, the Company's external auditor, H. C. Watt & Company Limited, has carried out a review of the said unaudited condensed consolidated interim financial statements in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

By order of the Board

Pansy Ho

Managing Director

Hong Kong, 29 August 2012

As at the date of this report, the executive directors of the Company are Dr. Stanley Ho, Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho, Mr. David Shum and Mr. Rogier Verhoeven; the non-executive directors are Dato' Dr. Cheng Yu Tung, Mrs. Louise Mok and Mr. Michael Ng; and the independent non-executive directors are Sir Roger Lobo, Mr. Norman Ho and Mr. Charles Ho.

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