

信德集團



SHUN TAK HOLDINGS

Stock Code 股份代號: 242



INTERIM REPORT

2013 中期業績報告

Shun Tak Holdings Limited  
信德集團有限公司



Goldfishes, full of vitality and liveliness, are auspicious symbols of wealth and prosperity. The cover design depicts a pair of goldfishes swimming in harmony. This represents the Shun Tak Group advancing with Hong Kong, Macau and Pearl River Delta region alongside each other. As all pillars of our business generate synergistic value for the Group, we are simultaneously driving collaboration between industries to promote complementing development in our region and creating multi-win propositions.

金魚充滿活力和生氣，是事業興旺的象徵。封面設計以喻意和諧共創的一對金魚，表達信德集團與港、澳及珠三角地區的發展一脈相承；除了各個業務互相協調外，更引領相關產業的互動合作，促進區域的融和發展，締造多贏局面。

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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 2013 of the Company and its subsidiaries (the "Group").

The unaudited profit attributable to owners of the Company for the period amounted to HK\$672 million, as compared with the profit of HK\$1,004 million for the same period last year. Basic earnings per share was HK22.5 cents (2012: HK36.0 cents).

The unaudited profit attributable to owners of the Company for the period would be HK\$164 million (2012: HK\$97 million), after excluding the effect of attributable revaluation surplus (net of deferred tax) of HK\$508 million (2012: HK\$907 million) arising on investment properties held by the Group and a joint venture (holding 51% interest in One Central).

## **INTERIM DIVIDEND**

The Board has resolved not to declare an interim dividend (2012: nil) in respect of the six months ended 30 June 2013.

# Business Review

## BUSINESS REVIEW

### Property

Though the Group has not recorded any development profit booking during the period, its investment and management portfolio made solid returns to bring an operating profit of HK\$34 million (1H 2012: HK\$8 million), plus HK\$499 million (1H 2012: HK\$575 million) share of profits from joint ventures and associates, primarily from the One Central project, with share of revaluation surplus arising from investment properties of HK\$331 million (1H 2012: HK\$456 million). The first six months of 2013 is also a period of rapid expansion for the division as it concludes various large scale land purchases in Northern China.

### Major Acquisitions in the Period

#### In Hong Kong

Shun Tak Centre, Shop No. 402 (Group interest: 100%)

In January 2013, the Group purchased the property from The Open University of Hong Kong, and has entered into a lease with the institution following the acquisition. The Group has a profound understanding of the optimal tenant mix for the retail leasing market of Shun Tak Centre, and anticipates this acquisition will create positive synergy and enhance the future value of the property.

#### In China

In April 2013, the Group announced its participation in two Northern China real estate projects.

## Business Review

Beijing Tongzhou Integrated Development Phase 2 (Group interest: 19.35%)

The first of which is the Beijing Tongzhou Integrated Development Phase 2, spanning a total land area of about 1.1 million square feet (104,000 square meters) and a developable gross floor area (excluding car park) of about 4.6 million square feet (426,000 square meters), to include retail, office, hotel and serviced apartments. Phase 2 is an extension of the same project announced by the Group earlier in October 2012. By acquiring Phase 2, the larger combined site will enable the consortium to further optimize the master plan, rendering it one of the largest and most representative integrated developments in Tongzhou along the Grand Canal when completed in 2016.

Beijing Dong Zhi Men commercial land use project (Group interest: 100%)

The project is a wholly-owned property in the Beijing Dong Cheng District near East 2nd Ring Road, comprising both office and hospitality components. The site spans 63,000 square feet (5,832 square meters), with a developable gross floor area of approximately 417,000 square feet (38,700 square meters) rising 21 levels aboveground, and 180,000 square feet (16,800 square meters) in 4 underground levels. It commands a prominent location next to the airport highway and enjoys close proximity to Beijing downtown, embassy area, and YanSha district. Superstructure and majority of external facade have been completed, with handover of the property scheduled for July 2014.

## Property Developments

### *Projects Completed with Recent Sales*

#### **In Macau**

One Central (Group interest: 51%)

One Central is a prominent architectural feature on the Macau Peninsula waterfront jointly developed with Hongkong Land Holdings Limited. As of 30 June 2013, 99% of the residential towers have been sold. 7 units of serviced apartments and residential were handed over in the first half of 2013. Two penthouses at The Residences and Apartments at Mandarin Oriental, Macau remain in the inventory for exclusive viewing.

Taipa Hills Memorial Garden (Group interest: 79%)

Taipa Hills Memorial Garden is a contemporary columbarium opened in 2011. Approximately 100 niches were sold in the first half of 2013, with cumulative sales over 3,900 niches as of date. A new subsidiary providing funeral services, under the name Wing Nim Memorial Services, was launched in Hong Kong in the first quarter of 2013, offering tailored solutions to families opting for one-stop services. Demand for this service has been growing steadily since its launch.

### **In Hong Kong**

Chatham Gate (Group interest: 51%)

This grand residential mansion comprises two grand residential towers offering units from studio to four-bedroom configurations, and an appending shopping arcade covering a gross floor area of approximately 370,000 square feet. Occupation permit was issued in October 2012 and handover of units commenced in March 2013. As of 30 June 2013, 237 out of 334 residential units have been sold. The shopping arcade is expected to open in the fourth quarter of 2013.

### ***Projects Under Development with Recent Sales***

#### **In Macau**

Nova City Phase 4 (Group interest: 100%)

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. Foundation works have been completed and superstructure works have commenced. Project completion is slated for the fourth quarter of 2014. As of 30 June 2013, 344 out of 620 residential units have been sold.

## **Business Review**

### *Projects Under Development*

#### **In Macau**

Nova City Phase 5 (Group interest: 100%)

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 650,000 square feet. It will house a diverse range of tenants including supermarkets, dining outlets, leisure retail and entertainment components to provide unparalleled convenience to residents. The project is under planning and foundation works are expected to commence by the third quarter of 2013.

Harbour Mile (Group interest: 100%)

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, and is anticipated to need more time to finalize the Master Plan.

Hotel Development at Cotai Site (Group interest: 100%)

The Group has made application for land grant and is in discussion with the Macau SAR Government on its plan to develop 5-star hotels on the site.

#### **In Hong Kong**

Proposed House Development at Chung Hom Kok (Group interest: 100%)

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



## **In China**

Beijing Tongzhou Integrated Development Phase 1 (Group interest: 24%)

In October 2012, the Group entered into a joint venture with a consortium of investors to develop an iconic landmark in the new business district of Beijing - the Tongzhou district. The proposed mixed use development comprises retail, office and serviced apartments components. It is located on a prime site fronting the famous Grand Canal and enjoys direct connectivity to future subway and bus interchange stations. The gross floor area of the proposed development is approximately 4.3 million square feet (402,000 square meters). The Integrated Development Phase 1 & 2 are currently under planning.

## **Property Investments**

### **In Macau**

One Central Shopping Mall (Group interest: 51%)

One of the defining hallmarks of One Central is a 400,000 square feet premium shopping mall, which houses a supreme collection of international designer brands. Its popularity demonstrates the Group's vision and strength in creating projects appealing to top quality tenants. The retail mall maintained an occupancy rate of around 93% as at 30 June 2013, and encouraging fee revisions have been achieved.

Shun Tak House (Group interest: 100%)

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.

## Business Review

### In Hong Kong

The Westwood (Group interest: 51%)

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 2013, occupancy rate stood above 94%. Accessibility to The Westwood will be further improved when construction work of the MTR West Island Line is completed in 2014.

Liberté Place (Group interest: 64.56%)

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.

### In China

Guangzhou Shun Tak Business Centre (Group interest: 60%)

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 86%.

## Property Services

Shun Tak Property Management Limited ("STPML"), the Group's wholly-owned subsidiary, offers professional property management service in Hong Kong and Macau, as well as complementing businesses including Shun Tak Macau Services Limited, a property cleaning service as well as Clean Living (Macau) Limited which offers both retail and institutional laundry services.

In March 2013, STPML was awarded an Integrated Facility Management Services contract for the University of Macau, Hengqin Campus, with a scheduled in-take of over 10,000 students in the first year. The premise spans over 10.8 million square feet (1 kilometer square) in size and covers a gross floor area of around 10 million square feet. With this appointment, the management portfolio of STPML is extended to cover over 26 million square feet of gross floor area.

### **Transportation**

The transportation division made significant headway in the first half of 2013, resulting from a fare increment implemented in March 2013, as well as an expansion in regional tourism demand. Total volume of passengers serviced by the Hong Kong – Macau routes increased by 4.7% as compared with the same period last year, posting a profit of HK\$48 million. The Group also made a defining stride to strengthen its transportation presence, further spreading its catchment reach and enhancing regional multi modal connections by investing in Jetstar Hong Kong, a new low-cost carrier based in Hong Kong.

### **Shun Tak-China Travel Shipping Investments Limited**

In February 2013, the Airport Authority Hong Kong extended the management contract of ferry operations at SkyPier with Hong Kong International Airport Ferry Terminal Services Limited, a joint venture under the Group. The new 6-year contract commenced in April 2013. During the period, SkyPier continued to exhibit dynamic growth, setting record numbers in terms of passenger throughput at 1.3 million.

The Group expanded its operation to Taipa from Hong Kong since June 2012, and further enhanced its network by adding another new service from Shekou starting from August 2012.

TurboJET continued to enrich its products and offerings to meet the heightening demand of luxury travelers. In April 2013, Premier Service has been extended to cover its Kowloon – Macau route.

## Business Review

### Jetstar Hong Kong Airways Limited (“Jetstar Hong Kong”)

In June 2013, the Group has taken an equal third share in Jetstar Hong Kong partnering with Qantas Group and China Eastern Airlines. The new airline is progressing with regulatory approvals and intends to service destinations within a five-hour radius from Hong Kong, such as Southeast Asia, Japan, South Korea and Greater China.

### Shun Tak & CITS Coach (Macao) Limited

The land transportation arm, Shun Tak & CITS Coach (Macao) Limited, continued to deliver strong returns through its cross-border and local rental business. In June 2013, it operates a fleet of 136 vehicles, and recorded HK\$45 million in revenue over the first half of 2013.

## Hospitality

Tourism performance continued its strong momentum in the first half of 2013, with the hospitality division experiencing all-rounded growth across different facets of the business, led by increased return from hotel investments. The division posted HK\$35 million in operating profit (1H 2012: HK\$36 million).

Furthermore, the Group announced in July 2013 the establishment of Artyzen Hospitality Group, a wholly-owned subsidiary that provide hotel management solutions through its own collection of luxury hotel brands characterized by distinctive Asian offerings.

### Hotels

In Hong Kong, the 658-room Hong Kong SkyCity Marriott Hotel located close to the AsiaWorld-Expo, the Hong Kong International Airport and the SkyPier, experienced 7% year-on-year growth in revenue, and an average occupancy rate of 78%.

Mandarin Oriental, Macau leveraged upon its convenient location and strong brand affiliation to lead the room rate of properties in its competitive set and an occupancy of 73%, which is the leader among the non-gaming hotels in Macau. Over the first half of 2013, the hotel posted a revenue of MOP101 million (equivalent to HK\$98 million), with banquet business exhibiting an uptrend driving food & beverage sales.

Westin Resort Macau continued to focus on delivering value resort experiences for holidaymakers who prefer a uniquely tranquil, leisure and non-gaming environment near the beach and mountains of Coloane. The property achieved a 60% occupancy rate and satisfactory revenue.

### **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 2013, 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 7% year-on-year gain and MOP91 million (equivalent to HK\$88 million) in revenue. (1H 2012: MOP85 million, equivalent to HK\$83 million).

### **Travel and MICE**

Shun Tak Travel registered encouraging growth in corporate and wholesale ticketing sales by 108% and 43% respectively compared with the same period last year. Retail business also grew, as the brand solidified awareness through cross promotions and social media campaigns. During the first half of 2013, the MICE team has been appointed to provide hospitality and ground handling service for various high profile events, building solid reputation and track record for further expansion. Total net revenue for Shun Tak Travel and MICE amounted to HK\$24 million (1H 2012: HK\$23 million), a 4% year-on-year increase.

## Business Review

### Investments

The investment division recorded a gain of HK\$100 million (1H 2012: HK\$44 million) over the period, with the substantial improvement resulting from an increase in dividend income from Sociedade de Turismo e Diversões de Macau, S.A..

The Group partnered with Worldwide Flight Services Holding SA and Royal Caribbean Cruises Ltd. to operate and manage the new Kai Tak Cruise Terminal, designed to accommodate a new generation of mega-cruisers. Drawing from its management experience of port facilities and mixed use complexes, the Group will contribute its expertise in retail leasing. The terminal soft opened to welcome the first cruise ship in June 2013, marking a new chapter in Hong Kong cruise tourism.

Macau Matters Company Limited is the Group's retail arm, operating Toys "R" Us Macau in Macau Tower.

# Prospect and Recent Developments

## PROSPECT AND RECENT DEVELOPMENTS

The first half of 2013 has been an exciting and strategically important period for the Group, as it entered into various significant ventures that define the development roadmap for the future of its property and hospitality divisions. These synergistic projects are expected to elevate the Group's profile as a leading travel and tourism conglomerate, consolidate its air-sea-land gateway advantage, expand the customer base for its portfolio, as well as expand its footprint in integrated property and tourism assets in the Greater China Region.

In February 2013, the Group established a US\$1,000 million guaranteed medium term note programme ("MTN Programme"). In March 2013, the 7-year 5.7% guaranteed notes in an aggregate principal amount of US\$400 million were issued under the MTN Programme, proceeds of which would be used for financing new investment opportunities and for general working capital purposes.

The acquisitions of new sites in Tongzhou and Dong Zhi Men in Beijing, PRC reflect the Group's confidence in the Northern China real estate market and the financial strength of the nation's capital. These premium sites hold significant development potentials, in particular, the Dong Zhi Men property promises medium term recurring property investment returns for the Group due to its short completion timeline.

## Prospect and Recent Developments

In July 2013, the Group further announced the successful bidding for an approximately 256,000 square feet (23,834 square meters) site (maximum gross floor area at 1.4 million square feet or 131,088.7 square meters) in Hengqin, Zhuhai, PRC through listing-for-sale at a consideration of approximately HK\$911.3 million. A plan to develop an exemplary landmark comprising office, hotel, commercial and serviced apartments is now underway with site works anticipated to commence in late 2013. The land is located at a prime location enjoying superior connectivity, to be serviced by the Hengqin and Macau light rails, together with the extension of Guangzhou-Zhuhai Intercity-Rail in the future, and only a few minutes' drive away from the Cotai strip, Macau.

Investment in Jetstar Hong Kong completes the Group's vision to provide a multi modal air-sea-land network servicing the Pearl River Delta and facilitate its integration. With the successful track record of Jetstar in other Asian bases, and the profound aviation experience and extensive networks of Qantas Group and China Eastern Airlines, this new low cost airline is expected to drive substantial travel demand within the Hong Kong market.

In July 2013, the Group further announced the establishment of Artyzen Hospitality Group ("AHG"), a wholly-owned subsidiary set to create its own luxury hotel brands emblazoned with distinctive Asian art and culture features and service offerings. These brands will be tailored to capitalize on the rapidly growing travel markets in China and other Asia Pacific countries. AHG will offer management solutions to hotel owners and developers, including the Group's own properties.



# Financial Review

## FINANCIAL REVIEW

### Liquidity, Financial Resources and Capital Structure

The Group's bank balances and deposits amounted to HK\$8,850 million at 30 June 2013, representing an increase of HK\$1,168 million as compared with the position as at 31 December 2012. 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 2013 amounted to HK\$13,655 million, of which HK\$8,435 million remained undrawn. The Group's bank borrowings outstanding at the period end amounted to HK\$5,220 million. The Group's borrowings also comprised the medium term notes ("MTN") of HK\$3,134 million and the liability component of guaranteed convertible bonds of HK\$820 million.

On 20 February 2013, the Group's wholly-owned subsidiary (the "issuer") established a US\$1,000 million (equivalent to approximately HK\$7,750 million) medium term note programme. The MTN may be issued by the issuer from time to time and will be unconditionally and irrevocably guaranteed by the Company. On 7 March 2013, the Group has drawn down US\$400 million under the programme by issuing MTN to professional investors at an annual coupon of 5.7% for financing new investment opportunities and for general working capital purposes. The note will mature on 7 March 2020.

Based on a net borrowings of HK\$323 million at the interim period end, the Group's gearing ratio (expressed as a ratio of net borrowings to equity attributable to owners of the Company) was 1.6%. At 31 December 2012, no gearing ratio is presented as the Group had a net cash balance. The Group will continue with its financial strategy of maintaining a healthy gearing ratio and consider steps to reduce its finance costs.

## Financial Review

The maturity profile of the Group's borrowings as at 30 June 2013 is set out below:

### Maturity Profile

<b>Within 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>Over 5 years</b>	<b>Total</b>
20%	9%	37%	34%	100%

During the period, 10,000,000 new shares were issued upon exercise of share options granted by the Company.

### Material Acquisitions and Commitments

In January 2013, the Group completed the acquisition of a property located at Shop No. 402, 4th floor of the retail podium of Shun Tak Centre at a price of HK\$770 million. The transaction was financed by internal resources of the Group and bank loans.

In April 2013, the Group further acquired an effective 19.35% interests in Beijing Tongzhou Integrated Development Phase 2 for approximately SGD96 million (equivalent to approximately HK\$599 million) which is an extension of the same project of Tongzhou Phase 1 announced by the Group earlier in October 2012.

In April 2013, the Group agreed to acquire a wholly-owned property project in the Beijing Dong Cheng District near East 2nd Ring Road, comprising both office and hospitality components at a consideration of RMB1,290 million subject to adjustments. The maximum outstanding commitment amounted to approximately RMB990 million (equivalent to approximately HK\$1,249 million) at the period end.

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 31 July 2013, the Group has successfully bid for a piece of land located in Hengqin New Area, Zhuhai, the PRC at the land price of approximately RMB721 million (equivalent to approximately HK\$911 million) through listing-for-sale held by the Zhuhai Land and House Property Exchange Center. In accordance with the listing-for-sale documents, the Group entered into the land contract with the Land and Resources Bureau of Zhuhai in relation to the said acquisition on 2 August 2013. A mixed-use complex comprising office, hotel, commercial and serviced apartments will be developed.

### **Charges on Assets**

At the period end, bank loans to the extent of approximately HK\$1,930 million (31 December 2012: HK\$1,610 million) were secured with charges on certain assets of the Group amounting to an aggregate carrying value of HK\$10,367 million (31 December 2012: HK\$9,479 million). Out of the above secured bank loans, an aggregate amount of HK\$1,803 million (31 December 2012: HK\$1,449 million) was also secured by pledges of shares in certain subsidiaries.

### **Contingent Liabilities**

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

## Financial Review

### 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 and MTN, all the funds raised by the Group are on a floating rate basis. Except for the MTN of US\$400 million, none of the Group's outstanding borrowings was denominated in foreign currency at the period end. Approximately 85% 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. 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 and currency swap activities to minimise its exposure to fluctuations in fuel prices and foreign exchange rate in accordance with the Group's approved treasury policies.

### Human Resources

The Group, including subsidiaries but excluding associates and joint ventures, employed approximately 3,310 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

		<b>(Unaudited)</b>	(Unaudited)
		<b>2013</b>	2012
	Note	<b>(HK\$'000)</b>	(HK\$'000)
<b>Turnover</b>	3	<b>1,690,979</b>	1,560,271
Other income		<b>60,918</b>	68,166
		<b>1,751,897</b>	1,628,437
Other gains, net	4	<b>213</b>	335
Cost of inventories sold and services provided		<b>(740,798)</b>	(733,135)
Staff costs		<b>(511,393)</b>	(470,710)
Depreciation and amortisation		<b>(99,001)</b>	(123,434)
Other costs		<b>(210,413)</b>	(215,010)
Fair value changes on investment properties		<b>213,303</b>	505,874
<b>Operating profit</b>	3, 5	<b>403,808</b>	592,357
Finance costs	6	<b>(103,299)</b>	(70,013)
Share of results of associates		<b>9,035</b>	5,134
Share of results of joint ventures		<b>489,614</b>	564,413
<b>Profit before taxation</b>		<b>799,158</b>	1,091,891
Taxation	7	<b>(49,472)</b>	(22,626)
<b>Profit for the period</b>		<b>749,686</b>	1,069,265

## Condensed Consolidated Income Statement

For the six months ended 30 June

		(Unaudited) 2013 (HK\$'000)	(Unaudited) 2012 (HK\$'000)
	Note		
<b>Attributable to:</b>			
Owners of the Company		<b>671,626</b>	1,003,628
Non-controlling interests		<b>78,060</b>	65,637
<b>Profit for the period</b>		<b>749,686</b>	1,069,265
<b>Earnings per share (HK cents)</b>	9		
– basic		<b>22.5</b>	36.0
– diluted		<b>22.2</b>	34.6

# Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June

	(Unaudited) 2013 (HK\$'000)	(Unaudited) 2012 (HK\$'000)
<b>Profit for the period</b>	<b>749,686</b>	1,069,265
<b>Other comprehensive income/(loss)</b>		
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Available-for-sale investments:		
Changes in fair value	<b>(22,652)</b>	(1,255)
Reversal of reserve upon disposal of available-for-sale investments	<b>(787)</b>	9,547
Cash flow hedges:		
Changes in fair value, net of tax	<b>(8,108)</b>	(3,215)
Reversal of reserve upon the closure of cash flow hedges, net of tax	—	(10,520)
Exchange differences on translation of financial statements of foreign operations	<b>(17,427)</b>	(5,171)
<b>Other comprehensive loss for the period, net of tax</b>	<b>(48,974)</b>	(10,614)
<b>Total comprehensive income for the period</b>	<b>700,712</b>	1,058,651

## Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June

	(Unaudited) 2013 (HK\$'000)	(Unaudited) 2012 (HK\$'000)
<b>Attributable to:</b>		
Owners of the Company	<b>618,122</b>	1,002,844
Non-controlling interests	<b>82,590</b>	55,807
<b>Total comprehensive income for the period</b>	<b>700,712</b>	1,058,651



## Condensed Consolidated Balance Sheet

		(Unaudited)	(Audited)
		30 June	31 December
		2013	2012
	Note	(HK\$'000)	(HK\$'000)
<b>Non-current assets</b>			
Property, plant and equipment	10	2,140,799	2,262,702
Investment properties	11	6,080,398	5,049,944
Prepaid premium for land lease		8,293	8,414
Associates		1,523,577	962,362
Joint ventures		4,321,379	3,569,337
Intangible assets		364,923	365,047
Available-for-sale investments	12	989,511	1,017,242
Mortgage loans receivable		16,025	14,020
Deferred tax assets		18,820	25,747
Other non-current assets		764,969	675,174
		<b>16,228,694</b>	13,949,989
<b>Current assets</b>			
Properties for or under development		8,449,265	8,238,777
Inventories		1,952,214	1,945,670
Trade and other receivables, and deposits paid	13	1,302,134	2,431,154
Derivative financial instruments		2,235	4,749
Taxation recoverable		1,335	1,344
Cash and bank balances		8,850,341	7,681,879
		<b>20,557,524</b>	20,303,573

## Condensed Consolidated Balance Sheet

		(Unaudited) 30 June 2013 (HK\$'000)	(Audited) 31 December 2012 (HK\$'000)
	Note		
<b>Current liabilities</b>			
Trade and other payables, and receipts in advance	13	962,315	1,012,239
Deposits received from sale of properties		637,188	497,441
Bank borrowings		1,841,825	3,103,025
Provision for employee benefits		17,099	18,015
Taxation payable		95,221	86,247
Loans from non-controlling shareholders		1,177,591	—
		<b>4,731,239</b>	4,716,967
<b>Net current assets</b>		<b>15,826,285</b>	15,586,606
<b>Total assets less current liabilities</b>		<b>32,054,979</b>	29,536,595

		<b>(Unaudited)</b>	(Audited)
		<b>30 June</b>	31 December
		<b>2013</b>	2012
	Note	<b>(HK\$'000)</b>	(HK\$'000)
<b>Non-current liabilities</b>			
Receipts in advance		<b>42,114</b>	40,896
Bank borrowings		<b>3,378,000</b>	2,847,000
Convertible bonds	14	<b>820,071</b>	813,379
Medium term notes	15	<b>3,133,717</b>	—
Derivative financial instruments		<b>9,975</b>	—
Deferred tax liabilities		<b>1,041,148</b>	1,011,077
Loans from non-controlling shareholders		<b>128,250</b>	1,796,316
		<b>8,553,275</b>	6,508,668
<b>Net assets</b>		<b>23,501,704</b>	23,027,927

## Condensed Consolidated Balance Sheet

		(Unaudited) 30 June 2013 (HK\$'000)	(Audited) 31 December 2012 (HK\$'000)
	Note		
<b>Equity</b>			
Share capital	16	749,220	746,720
Share premium		8,876,887	8,851,587
Reserves		10,761,753	10,144,536
Proposed dividends		—	253,885
<b>Equity attributable to owners of the Company</b>		<b>20,387,860</b>	19,996,728
Non-controlling interests		3,113,844	3,031,199
<b>Total equity</b>		<b>23,501,704</b>	23,027,927

# Condensed Consolidated Statement of Changes in Equity

## For the six months ended 30 June 2013 (unaudited)

	Equity attributable to owners of the Company											Total equity (HK\$'000)		
	Share capital (HK\$'000)	Share premium (HK\$'000)	Capital redemption 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)	Exchange reserve (HK\$'000)	Retained profits (HK\$'000)		Proposed dividends (HK\$'000)	Non-controlling interests (HK\$'000)
At 1 January 2013	746,720	8,851,397	100,170	43,248	9,958	(151,413)	102,020	—	1,174,553	73,149	8,759,793	253,885	3,051,199	23,027,927
Profit for the period	—	—	—	—	—	—	—	—	—	—	671,826	—	671,826	749,886
Available-for-sale investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Changes in fair value	—	—	—	—	—	—	(22,652)	—	—	—	—	—	—	(22,652)
Reversal of reserve upon disposal of available-for-sale investments	—	—	—	—	—	—	(787)	—	—	—	—	—	—	(787)
Cash flow hedges	—	—	—	—	—	—	—	(9,180)	—	—	—	—	—	(9,180)
Changes in fair value, net of tax	—	—	—	—	—	—	—	—	—	(20,885)	—	—	—	(20,885)
Exchange differences on translation of financial statements of foreign operations	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other comprehensive income/(loss) for the period	—	—	—	—	—	—	(23,439)	(9,180)	—	(20,885)	—	—	—	(53,504)
Total comprehensive income/(loss) for the period	—	—	—	—	—	—	(23,439)	(9,180)	—	(20,885)	671,826	—	618,122	700,712
Exercise of share options	2,500	25,300	—	—	—	—	—	—	—	—	—	—	—	27,800
2012 final dividend	—	—	—	—	—	—	—	—	—	—	(850)	(253,885)	—	(254,735)
Transfer of reserve	—	—	—	—	88	—	—	—	—	—	—	—	55	—
Share of reserve of an associate	—	—	—	—	(8)	—	—	—	—	—	8	—	—	—
	2,500	25,300	—	—	80	—	—	—	—	—	(985)	(253,885)	55	(226,985)
At 30 June 2013	749,220	8,876,697	100,170	43,248	10,038	(151,413)	78,581	(9,180)	1,174,553	52,264	9,430,614	—	20,387,860	23,501,704

# 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)	Convertible			Special reserve (HK\$'000)	Investment revaluation reserve (HK\$'000)	Hedging reserve (HK\$'000)	Asset revaluation		Exchange reserve (HK\$'000)	Retained Profits (HK\$'000)	Proposed dividends (HK\$'000)	Total (HK\$'000)	Non-controlling interests (HK\$'000)	Total equity (HK\$'000)
				Capital reserve (HK\$'000)	equity reserve (HK\$'000)	Legal reserve (HK\$'000)				Asset revaluation reserve (HK\$'000)	Total (HK\$'000)						
At 1 January 2012	540,069	7,448,074	100,170	26,048	80,397	9,452	(151,413)	67,948	359	1,179,563	64,912	6,414,287	119,475	65,904,627	2,532,282	18,437,939	
Profit for the period	—	—	—	—	—	—	—	—	—	—	—	1,003,028	—	1,003,028	66,637	1,069,665	
Available-for-sale investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Changes in fair value	—	—	—	—	—	—	—	(1,265)	—	—	—	—	—	(1,265)	—	(1,265)	
Reversal of reserve upon disposal of available-for-sale investments	—	—	—	—	—	—	—	9,947	—	—	—	—	—	9,947	—	9,947	
Cash flow hedges	—	—	—	—	—	—	—	—	(1,370)	—	—	—	—	(1,370)	(1,345)	(3,215)	
Changes in fair value, net of tax	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Reversal of reserve upon the closure of cash flow hedge, net of tax	—	—	—	—	—	—	—	—	(4,461)	—	—	—	—	(4,461)	(6,039)	(10,520)	
Exchange differences on translation of financial statements of foreign operations	—	—	—	—	—	—	—	—	—	—	(2,225)	—	—	(2,225)	(1,346)	(5,171)	
Other comprehensive income/(loss) for the period	—	—	—	—	—	—	—	8,282	6,851	—	(2,225)	—	—	(784)	8,830	(10,614)	
Total comprehensive income/(loss) for the period	—	—	—	—	—	—	—	8,282	6,851	—	(2,225)	1,003,028	—	1,002,844	55,807	1,058,651	
Issue of shares on rights issue	202,651	1,441,849	—	—	—	—	—	—	—	—	—	—	—	1,644,500	—	1,644,500	
Transaction costs attributable to issue of shares	—	(93,326)	—	—	—	—	—	—	—	—	—	—	—	(93,326)	—	(93,326)	
2011 Final dividend	—	—	—	—	—	—	—	—	—	—	—	—	(119,475)	(119,475)	—	(119,475)	
At 30 June 2012	746,720	8,851,857	100,170	26,048	80,397	9,452	(151,413)	76,240	6,206	1,179,563	61,687	7,417,315	—	16,394,160	2,588,088	20,383,249	

# Condensed Consolidated Cash Flow Statement

For the six months ended 30 June

	<b>(Unaudited)</b>	(Unaudited)
	<b>2013</b>	2012
	<b>(HK\$'000)</b>	(HK\$'000)
<b>Net cash from operating activities</b>	<b>1,101,426</b>	70,595
<b>Net cash (used in)/from investing activities</b>	<b>(991,889)</b>	646,887
<b>Net cash from financing activities</b>	<b>1,601,199</b>	1,236,210
<b>Net increase in cash and cash equivalents</b>	<b>1,710,736</b>	1,953,692
<b>Effect of foreign exchange rates changes</b>	<b>1,464</b>	(728)
<b>Cash and cash equivalents at 1 January</b>	<b>5,577,984</b>	5,348,927
<b>Cash and cash equivalents at 30 June</b>	<b>7,290,184</b>	7,301,891
<b>Analysis of cash and cash equivalents</b>		
Cash and bank balances	<b>8,850,341</b>	7,304,891
Bank deposits with a maturity over three months	<b>(1,560,157)</b>	(3,000)
	<b>7,290,184</b>	7,301,891

# Notes to the Condensed Financial Statements

## 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 condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The accounting policies and methods of computation and presentation used in the preparation of the condensed consolidated interim financial statements are consistent with those described in the 2012 annual financial statements except as stated in note 2 below.

The preparation of the condensed consolidated interim financial statements in conformity with 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. In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the consolidated financial statements for the year ended 31 December 2012. Those areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates were significant to the Group’s consolidated financial statements were detailed in the 2012 annual financial statements.



## 2 Impact of revised HKFRSs

The following revised HKFRSs and amendments that are relevant to its operations and first effective for the Group's financial year beginning on 1 January 2013:

HKAS 1 (Revised) (Amendments)	Presentation of Financial Statements
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurements
Amendments to HKFRS 10, HKFRS 11 & HKFRS 12	Transition Guidance

Except as described below, the adoption of the above does not have any significant impact to the Group's results for the six months ended 30 June 2013 and the Group's financial position as at 30 June 2013.

### **HKAS 1 (Revised) (Amendments) Presentation of financial statements**

HKAS 1 (Revised) (Amendments) requires the identification of other comprehensive income items that are subsequently re-classifiable to the profit or loss in the statement of comprehensive income. The amendment affected presentation only and had no impact on the Group's financial position or performance.

## Notes to the Condensed Financial Statements

### 2 Impact of revised HKFRSs (Continued)

#### HKFRS 11 Joint arrangements

Under HKFRS 11, investments in joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement.

Before 1 January 2013, the Group's interests in its jointly controlled entities were accounted for using the equity method. Under HKFRS 11, the jointly controlled entities have been assessed to be joint ventures.

#### HKFRS 13 Fair value measurement

HKFRS 13 measurement and disclosure requirements are applicable for the year ending 31 December 2013. The Group has included the disclosures for financial assets and non-financial assets.

For the six months ended 30 June 2013, the Group has adopted all other new or revised standards, amendments and interpretations that are currently in issue and are mandatory for the year ending 31 December 2013.

## 2 Impact of revised HKFRSs (Continued)

The HKICPA has issued new and revised standards, amendments to standards which are relevant to the Group's operations but are not yet effective for the Group's financial year beginning on 1 January 2013 and have not been early adopted:

HKAS 32 (Amendment)	Financial Instruments: Presentation — Offsetting Financial Assets and Financial Liabilities
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date and Transition Disclosures
HKFRS 9	Financial Instruments
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities

The Group has already commenced an assessment of the impact of these new or revised HKFRSs, certain of them will give rise to change in presentation, disclosure and measurements of certain items in the financial statements.

## Notes to the Condensed Financial Statements

### 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 2012.

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.

### 3 Segment information (Continued)

For the six months ended	Property	Transportation	Hospitality	Investment	Eliminations	Total
30 June 2013	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
<b>Turnover and other income</b>						
External turnover	161,929	1,073,738	336,787	118,525	—	1,690,979
Inter-segment turnover	335	181	23,987	—	(24,503)	—
Other income (external and excluding interest income)	1,673	14,331	876	572	—	17,452
	163,937	1,088,250	361,650	119,097	(24,503)	1,708,431
<b>Segment results</b>	34,162	48,032	34,793	100,096	—	217,083
Fair value changes on investment properties	213,303	—	—	—	—	213,303
Interest income from bank deposits						43,466
Unallocated net expense						(70,044)
Operating profit						403,808
Finance costs						(103,299)
Share of results of associates	6,465	183	850	1,537	—	9,035
Share of results of joint ventures	482,405	7,309	(10,100)	—	—	489,614
Profit before taxation						799,158
Taxation						(49,472)
Profit for the period						749,686

## Notes to the Condensed Financial Statements

### 3 Segment information (Continued)

For the six months ended	Property	Transportation	Hospitality	Investment	Eliminations	Total
30 June 2012	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
<b>Turnover and other income</b>						
External turnover	164,492	1,016,390	309,618	69,771	—	1,560,271
Inter-segment turnover	1,494	—	20,827	—	(22,321)	—
Other income (external and excluding interest income)	2,995	12,548	1,065	538	—	17,146
	168,981	1,028,938	331,510	70,309	(22,321)	1,577,417
<b>Segment results</b>	8,363	2,161	36,123	43,774	—	90,421
Fair value changes on investment properties	505,874	—	—	—	—	505,874
Interest income from bank deposits						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 joint ventures	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

#### 4 Other gains, net

	2013	2012
For the six months ended 30 June	(HK\$'000)	(HK\$'000)
Net loss on disposal of property, plant and equipment	(928)	(234)
Net gain on disposal of available-for-sale investments	779	—
Others	362	569
	<b>213</b>	<b>335</b>

## Notes to the Condensed Financial Statements

### 5 Operating profit

	2013	2012
For the six months ended 30 June	(HK\$'000)	(HK\$'000)
<b>After crediting:</b>		
Interest income from bank deposits and mortgage loans	<b>43,920</b>	51,289
Rental income from investment properties	<b>95,102</b>	86,098
Dividend income from listed investments	<b>10,132</b>	6,423
Dividend income from unlisted investments	<b>96,673</b>	52,485
<b>After charging:</b>		
Cost of inventories		
– properties	<b>7,352</b>	7,222
– fuel	<b>475,622</b>	478,078
– others	<b>34,010</b>	50,141
	<b>516,984</b>	535,441
Impairment losses on available-for-sale investments	—	9,547



## 6 Finance costs

	2013	2012
For the six months ended 30 June	(HK\$'000)	(HK\$'000)
Total finance costs incurred	126,150	82,243
Less: Amount capitalised in properties under development	(22,851)	(12,230)
	103,299	70,013

## 7 Taxation

	2013	2012
For the six months ended 30 June	(HK\$'000)	(HK\$'000)
Hong Kong profits tax	9,160	9,079
Overseas taxation	5,529	4,006
Deferred taxation	34,783	9,541
	49,472	22,626

Hong Kong profits tax is provided for at the rate of 16.5% (2012: 16.5%) on the estimated assessable profits for the period. Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

## Notes to the Condensed Financial Statements

### 8 Interim dividend

The Board has resolved not to declare an interim dividend (2012: nil) in respect of the six months ended 30 June 2013.

### 9 Earnings per share

The calculation of basic earnings per share is based on profit attributable to owners of the Company of HK\$671,626,000 (2012: HK\$1,003,628,000) and the weighted average number of 2,988,814,421 (2012: 2,790,629,323) 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\$692,076,000 (2012: HK\$1,041,129,000) and the weighted average number of 3,122,223,305 (2012: 3,005,359,286) shares in issue during the period after adjusting for the effects of all dilutive potential ordinary shares.

## 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	
	2013 (HK\$'000)	2012 (HK\$'000)	2013	2012
For the six months ended 30 June				
Profit/number of shares for the purpose of basic earnings per share	<b>671,626</b>	1,003,628	<b>2,988,814,421</b>	2,790,629,323
Effect of dilutive potential ordinary shares				
– share options	—	—	<b>16,955,442</b>	2,453,548
– convertible bonds	<b>20,450</b>	37,501	<b>116,453,442</b>	212,276,415
Profit/number of shares for the purpose of diluted earnings per share	<b>692,076</b>	1,041,129	<b>3,122,223,305</b>	3,005,359,286

## Notes to the Condensed Financial Statements

### 10 Property, plant and equipment

During the period, additions to property, plant and equipment mainly comprised furniture, fixtures and equipment of HK\$6,175,000 (2012: HK\$21,280,000) and net book value of property, plant and equipment disposed of amounted to HK\$29,328,000 (2012: HK\$248,000).

### 11 Investment properties

A revaluation of all investment properties was performed on 30 June 2013 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.

### 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.

### 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 1 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.

## 13 Trade receivables and payables – ageing analysis

(Continued)

The ageing analysis of trade debtors is as follows:

	30 June 2013 (HK\$'000)	31 December 2012 (HK\$'000)
0 – 30 days	83,171	92,183
31 – 60 days	17,624	25,058
61 – 90 days	8,973	4,969
over 90 days	937	5,503
	<b>110,705</b>	127,713

The ageing analysis of trade creditors is as follows:

	30 June 2013 (HK\$'000)	31 December 2012 (HK\$'000)
0 – 30 days	536,267	636,610
31 – 60 days	4,515	9,867
61 – 90 days	3,456	5,326
over 90 days	3,220	4,364
	<b>547,458</b>	656,167

## Notes to the Condensed Financial Statements

### 14 Convertible bonds

There has been no conversion of the convertible bonds into shares of the Company by the bondholders since the issue date. During the period, there was no redemption of the convertible bonds. Details of the convertible bonds can be found in the annual financial statements for the year ended 31 December 2012. In June 2013, the conversion price was adjusted in accordance with the terms of the trust deed dated 22 October 2009 from HK\$7.17 to HK\$7.08 per share. Details can be referred to the Company's announcement dated 21 May 2013.

### 15 Medium term notes

On 7 March 2013, the Company through a wholly-owned subsidiary issued guaranteed notes (the "Notes") with principal amounts of US\$400,000,000 with an annual coupon of 5.7% per annum. The Notes are guaranteed by the Company and will mature on 7 March 2020.

## 16 Share capital

	Note	30 June 2013		31 December 2012	
		Number of shares	(HK\$'000)	Number of shares	(HK\$'000)
<b>Authorised</b>					
Ordinary shares of HK\$0.25 each					
At beginning of the period		6,000,000,000	1,500,000	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	6,000,000,000	1,500,000
<b>Issued and fully paid</b>					
Ordinary shares of HK\$0.25 each					
At beginning of the period		2,986,880,719	746,720	2,172,276,887	543,069
Rights issue	(ii)	—	—	814,603,832	203,651
Exercise of share options	(iii)	10,000,000	2,500	—	—
		2,996,880,719	749,220	2,986,880,719	746,720

### 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) In March 2012, 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 existing shares.
- (iii) During the period, share options were exercised to subscribe for 10,000,000 ordinary shares of the Company at total consideration of HK\$27,800,000 of which HK\$2,500,000 was credited to the share capital and the balance of HK\$25,300,000 was credited to share premium.

## Notes to the Condensed Financial Statements

### 17 Charges on assets

At 30 June 2013, bank loans to the extent of approximately HK\$1,929,825,000 (31 December 2012: HK\$1,610,025,000) were secured with charges on certain assets of the Group amounting to an aggregate carrying value of HK\$10,367,477,000 (31 December 2012: HK\$9,479,212,000). Out of the above secured bank loans, an aggregate amount of HK\$1,802,825,000 (31 December 2012: HK\$1,449,025,000) was also secured by pledges of shares in certain subsidiaries.



## 18 Significant related party transactions

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

		2013 (HK\$'000)	2012 (HK\$'000)
For the six months ended 30 June	Note		
<b>STDM Group</b>	(i)		
Dividend income from STDM		<b>96,673</b>	52,485
Ferry tickets sold (after discount) to STDM Group		<b>58,564</b>	51,940
Commission paid to STDM Group on ferry tickets sold by STDM Group		—	10,921
Fees received from STDM Group for provision of property related services		<b>6,798</b>	13,214
Rental and related expenses paid to STDM Group		<b>8,407</b>	7,428
Fuel purchased from STDM Group for Macau shipping operations		<b>213,924</b>	172,840
Amount collected by STDM Group for sale of ferry tickets and related services in Macau		—	193,147
Amount collected by STDM Group for sale of Bungy Jumping and other outdoor adventure activities in Macau Tower		—	1,242

## Notes to the Condensed Financial Statements

### 18 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	2013 (HK\$'000)	2012 (HK\$'000)
Amount reimbursed to STDM Group for expenses incurred in respect of shipping operations in Macau		—	24,048
Amount reimbursed by STDM Group for staff expenses and administrative resources shared		11,197	12,542
Revenue of duty free goods sold on board collected for STDM		5,722	5,080
<b>Shun Tak Centre Limited ("STC")</b>	(ii)		
Rental and related expenses paid to STC		3,817	6,456
<b>Associates</b>			
Insurance premium paid to an associate		18,202	16,814
Fuel costs paid to an associate		30,066	80,715
<b>Joint ventures</b>			
Ferry passengers handling fees received on behalf of a joint venture		16,909	16,906

## 18 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	2013 (HK\$'000)	2012 (HK\$'000)
Amounts paid to a joint venture in respect of the Chatham Gate redevelopment project for			
– management fee		—	12,394
– related construction cost and preliminary works		<b>47,048</b>	233,044
<b>Key management personnel</b>			
Directors' emoluments			
– salaries and other short-term employee benefits		<b>13,467</b>	12,043
– post-employment benefits		<b>652</b>	566
Underwriting commission on rights issue paid to Megaprospers Investments Limited ("Megaprospers")	(iii)	—	6,424

## Notes to the Condensed Financial Statements

### 18 Significant related party transactions (Continued)

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

	Note	30 June 2013 (HK\$'000)	31 December 2012 (HK\$'000)
<b>STDM Group</b>			
Net receivable from STDM Group	(iv)	15,481	22,287
<b>Associates</b>			
Amounts due by associates	(v)	22,753	22,350
<b>Joint ventures</b>			
Amounts due by joint ventures	(vi)	369,756	580,341
Amount due to a joint venture	(vi)	25,695	195
Construction costs payable to a joint venture		31,480	13,860
<b>Key management personnel</b>			
Non-controlling shareholder's loan from a company in which Dr. Stanley Ho has beneficial interests	(vii)	54,640	58,122
Refundable deposit paid by a subsidiary to Sai Wu Investment Limited ("Sai Wu")	(viii)	500,000	500,000

## 18 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 and Ms. Pansy Ho are directors of STDM. Ms. Daisy Ho is an appointed representative of Lanceford Company Limited, which is a corporate director of STDM. Mr. David Shum is an appointed representative of the Company, which is a corporate director 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 receivable from 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.

## Notes to the Condensed Financial Statements

### 18 Significant related party transactions (Continued)

Notes: (Continued)

- (vi) Amount due to a joint venture is unsecured, non-interest bearing and with no fixed term of repayment. Amounts due by joint ventures are unsecured. Amount of HK\$369,756,000 (31 December 2012: HK\$567,814,000) have no fixed term of repayment. In 2012, amounts of HK\$4,657,000 was repayable within one year and amount of HK\$7,870,000 was repayable by 31 December 2016 or such other date as may be agreed by the joint venture and its shareholders.

Amounts of HK\$360,568,000 (31 December 2012: HK\$539,303,000) carry interest at HIBOR plus 3% (31 December 2012: HIBOR plus 3%) per annum on loan principal. In 2012, HK\$12,527,000 carried interest at LIBOR plus 2% per annum on loan principal. The remaining balances are non-interest bearing. The related interest income for the first half of 2013 amounted to HK\$9,058,000 (2012: HK\$11,854,000).

- (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 subsidiary received loans from both shareholders. 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 of HK\$500,000,000 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.

## 19 Commitments

### (a) Capital commitments

		<b>30 June</b>	31 December
		<b>2013</b>	2012
	Note	<b>(HK\$'000)</b>	(HK\$'000)
Contracted but not provided for			
Property, plant and equipment		<b>2,840</b>	2,649
Building	(i)	<b>1,248,588</b>	—
		<b>1,251,428</b>	2,649
Capital contribution to			
A joint venture	(ii)	<b>268,782</b>	—
An associate		<b>20,136</b>	—
		<b>288,918</b>	—

Notes:

- (i) At 30 June 2013, the Group had an outstanding commitment of RMB990 million (equivalent to approximately HK\$1,249 million) to acquire a wholly-owned property project in the Dong Cheng District, Beijing, the PRC.
- (ii) The Group has an outstanding commitment to contribute capital of approximately HK\$269 million to a joint venture subject to the obtaining of all relevant applicable government and regulatory approvals for operating a Hong Kong airline.

## Notes to the Condensed Financial Statements

### 19 Commitments (Continued)

#### (b) Property development commitments

The Group had outstanding commitments of HK\$1,560 million (31 December 2012: HK\$1,726 million) under various contracts for property development projects.

In addition to the above, the Group had commitments of payment of HK\$3,080 million (31 December 2012: HK\$3,080 million) in cash and issue of 148,883,374 (31 December 2012: 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.

### 20 Contingent liabilities

There are no material changes in contingent liabilities of the Group since 31 December 2012.

### 21 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 2012 annual financial statements.

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



## 21 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).

## Notes to the Condensed Financial Statements

### 21 Financial instruments (Continued)

#### Fair value estimation (Continued)

At 30 June 2013	Level 1 (HK\$'000)	Level 2 (HK\$'000)	Level 3 (HK\$'000)	Total (HK\$'000)
<b>Assets</b>				
Derivatives used for hedging	—	2,235	—	2,235
Available-for-sale investments				
– equity securities	160,882	—	—	160,882
– investment funds	14	15,599	—	15,613
<b>Total assets</b>	<b>160,896</b>	<b>17,834</b>	<b>—</b>	<b>178,730</b>
<b>Liabilities</b>				
Derivatives used for hedging	—	9,975	—	9,975
<b>Total liabilities</b>	<b>—</b>	<b>9,975</b>	<b>—</b>	<b>9,975</b>

## 21 Financial instruments (Continued)

### Fair value estimation (Continued)

At 31 December 2012	Level 1 (HK\$'000)	Level 2 (HK\$'000)	Level 3 (HK\$'000)	Total (HK\$'000)
<b>Assets</b>				
Derivatives used				
for hedging	—	4,749	—	4,749
Available-for-sale				
investments				
– equity securities	182,549	—	—	182,549
– investment funds	14	18,759	—	18,773
<b>Total assets</b>	<b>182,563</b>	<b>23,508</b>	<b>—</b>	<b>206,071</b>

Level 2 derivatives used for hedging comprise fuel swap contracts and cross currency swaps. The fuel swap contracts have been fair valued using forward fuel prices that are quoted in an active market. The cross currency swaps are fair valued using forward interest rates extracted from observable yield curves and foreign exchange rates that are quoted in an active market. The effects of discounting are generally insignificant for Level 2 derivatives.

Level 2 investment funds are fair valued using a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market prices of other quoted debt instruments of the counterparties.

## Notes to the Condensed Financial Statements

### 21 Financial instruments (Continued)

#### Fair value estimation (Continued)

There were no other changes in valuation techniques during the period.

During the six months ended 30 June 2013, 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.

### 22 Comparatives

Certain comparative figures of the condensed consolidated income statement and the condensed consolidated cash flow statement have been reclassified to conform to the current period's presentation. These reclassifications have no impact on the Group's total equity, the Group's profit and net change in cash and cash equivalents for the periods ended 30 June 2013 and 2012.

### 23 Event after the Balance Sheet Date

On 31 July 2013, the Group has successfully bid for a piece of land located in Hengqin New Area, Zhuhai, the PRC at the land price of approximately RMB721 million (equivalent to approximately HK\$911 million) through listing-for-sale held by the Zhuhai Land and House Property Exchange Center. In accordance with the listing-for-sale documents, the Group entered into the land contract with the Land and Resources Bureau of Zhuhai in relation to the said acquisition on 2 August 2013. A mixed-use complex comprising office, hotel, commercial and serviced apartments will be developed.

## Other Information

### (1) Disclosure of Directors' Interests

As at 30 June 2013, 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		Approximate percentage of total issued shares	
		Personal interests	Corporate interests		
		Note	Note	Note (i)	
Dr. Stanley Ho	Interests in unissued shares	—	148,883,374	(iv)	4.97%
	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%
Mr. Michael Ng	Interests in underlying shares	11,315,577	—	(iii)	0.38%
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%
Ms. Pansy Ho	Interests in issued shares	142,748,268	313,798,627	(v)	15.23%
	Interests in unissued shares	—	148,883,374	(iv)	4.97%
	Interests in underlying shares	11,509,669	—	(ii)	0.38%
Ms. Daisy Ho	Interests in issued shares	66,860,489	134,503,471	(vi)	6.72%
	Interests in unissued shares	—	148,883,374	(iv)	4.97%
	Interests in underlying shares	13,775,856	—	(ii)	0.46%
Ms. Maisy Ho	Interests in issued shares	26,060,598	31,717,012	(vii)	1.93%
	Interests in underlying shares	12,840,605	—	(ii)	0.43%
Mr. David Shum	Interests in underlying shares	5,660,377	—	(ii)	0.19%

## Other Information

### Notes:

- (i) As at 30 June 2013, the total number of issued shares of the Company was 2,996,880,719.
- (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) 5,649,717 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 Other Associated Corporations of the Company") for an aggregate nominal amount of HK\$40,000,000 held by him as at 30 June 2013 and based on the adjusted conversion price of HK\$7.08 (with effect from 11 June 2013) per share, details of which are disclosed in sub-paragraph (1)(d) headed "Interests of the Directors in Debentures of Other Associated Corporations of the Company" below.
- (iv) These 148,883,374 unissued shares, in 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 Megaprosper 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, in 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, in 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, in 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 company	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 2013, 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 company	Corporate interests	Note	Approximate percentage of total issued shares
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)	9.86%

## Other Information

### Notes:

- (i) As at 30 June 2013, there was a total of 5,000 shares of Shun Tak & CITS Coach (Macao) Limited in issue.
- (ii) As at 30 June 2013, there was a total of 19,273 shares of Shun Tak Magsaysay China Recruitment and Training Limited in issue.

### (d) Interests of the Directors in Debentures of Other Associated Corporations of the Company

Name of Director	Name of company	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)	4.80%

### Notes:

- (i) As at 30 June 2013, the remaining outstanding aggregate principal amount of the 3.3% guaranteed convertible bonds due 2014 (stock code: 4313) were HK\$833,800,000 in issue by Joyous King Group Limited, an indirect 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 2013 would be convertible into 5,649,717 shares of the Company, representing approximately 0.19% of the issued share capital of the Company as at 30 June 2013, at the adjusted conversion price of HK\$7.08 (with effect from 11 June 2013) 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 subparagraph (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 2013.

## **(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, 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.

## Other Information

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	Exercise price per share (HK\$)	Number of share options outstanding	
					At 1 January 2013	At 30 June 2013
Dr. Stanley Ho	(i)	25 May 2004	25 May 2004 to 24 May 2014	2.78	1,798,559	1,798,559
Sir Roger Lobo	(i)	29 March 2011	29 March 2011 to 27 March 2021	3.86	1,132,124	1,132,124
Mr. Norman Ho	(i)	29 March 2011	29 March 2011 to 27 March 2021	3.86	1,132,124	1,132,124
Mr. Charles Ho	(i)	29 March 2011	29 March 2011 to 27 March 2021	3.86	1,132,124	1,132,124
Mr. Michael Ng	(ii)	1 February 2010	1 April 2010 to 31 January 2015	4.13	2,832,930	2,832,930
	(iii)	1 February 2010	1 April 2011 to 31 January 2015	4.13	2,832,930	2,832,930
Dato' Dr. Cheng Yu Tung	(i)	29 March 2011	29 March 2011 to 27 March 2021	3.86	1,132,124	1,132,124
Mrs. Louise Mok	(i)	29 March 2011	29 March 2011 to 27 March 2021	3.86	1,132,124	1,132,124
Ms. Pansy Ho	(i)	25 May 2004	25 May 2004 to 24 May 2014	2.78	11,509,669	11,509,669
Ms. Daisy Ho	(i)	25 May 2004	25 May 2004 to 24 May 2014	2.78	13,775,856	13,775,856
Ms. Maisy Ho	(i) & (iv)	25 May 2004	25 May 2004 to 24 May 2014	2.78	22,840,605	12,840,605
Mr. David Shum	(i)	22 September 2004	22 September 2004 to 21 September 2014	3.71	5,660,377	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) *Ms. Maisy Ho has exercised 10,000,000 share options during the period. The weighted average closing price of the shares of the Company immediately before the date on which the options were exercised was HK\$4.06.*
- (v) *Save for the share options set out in the table above, no other share options were granted under the 2012 Share Option Scheme. No share options granted under the 2002 Share Option Scheme were cancelled or lapsed during the period.*

Save as disclosed above, as at 30 June 2013, 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 2002 Share Option Scheme and 2012 Share Option Scheme.

## Other Information

### (3) Substantial Shareholders, and Other Persons' Interests

As at 30 June 2013, 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:

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)
Renita Investments Limited ("Renita") and its subsidiary	(ii)	Interests in issued shares	Beneficial owner and interests of controlled corporation	Long position	565,698,864	18.88%
Oakmount Holdings Limited ("Oakmount")	(ii)	Interests in issued shares	Beneficial owner	Long position	396,522,735	13.23%
Shun Tak Shipping Company, Limited ("STS") and its subsidiaries	(iii)	Interests in issued shares	Beneficial owner and interests of controlled corporations	Long position	373,578,668	12.47%
Beeston Profits Limited ("BPL")	(iv)	Interests in issued shares	Beneficial owner	Long position	184,396,066	6.15%

*Notes:*

- (i) As at 30 June 2013, the total number of issued shares of the Company was 2,996,880,719.
- (ii) These 565,698,864 shares comprised 396,522,735 shares held by Oakmount, which is wholly-owned by Renita and 65,040,000 shares being interests pursuant to Section 317 agreement of the SFO. Accordingly, part of the interests of Renita in the Company duplicate the interests of Oakmount in the Company. Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho have beneficial interests in Renita and Oakmount. Both Ms. Pansy Ho and Ms. Daisy Ho are directors of Renita and Oakmount.
- (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 2013.

### **Purchase, Sale or Redemption of Listed Securities**

During the six months ended 30 June 2013, 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 code provisions in the Corporate Governance Code (the "Code") set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2013, except as noted hereunder.

The second part of code provision A.6.7 in the Code provides that independent non-executive directors and other non-executive directors should attend general meetings. Dato' Dr. Cheng Yu Tung, a Non-executive Director, was unable to attend the annual general meeting of the Company held on 7 June 2013 ("2013 AGM") due to health reason.

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 2013 AGM, the Managing Director of the Company (who is also the chairman of the executive committee) took the chair and, together with the chairmen of the audit committee, remuneration committee and nomination committee and other directors, made themselves available to answer shareholders' questions regarding the activities of the Company and various board committees.

## Other Information

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 2012 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 2013.

### Disclosure of Changes in Directors' Information

Changes in Directors' biographical details and information since 25 March 2013, the date to which the 2012 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:

1. Ms. Pansy Ho, previously the chairperson of MGM China Holdings Limited (stock code: 2282), rotated to be its co-chairperson with effect from 16 May 2013.
2. Ms. Daisy Ho's appointment as vice-chairman of the Board of Governors of Hong Kong Ballet has been changed to chairman with effect from 1 April 2013.

3. Ms. Maisy Ho was appointed as the chairman and an executive director of Chanceton Financial Group Limited (stock code: 8020) with effect from 8 July 2013.

Ms. Maisy Ho's appointment as 4th vice-chairman of Tung Wah Group of Hospitals has been changed to 3rd vice-chairman with effect from 30 April 2013.

4. Dato' Dr. Cheng Yu Tung ceased to act as the non-executive director of SJM Holdings Limited ("SJM") (stock code: 880) upon his retirement from the board of directors of SJM at the conclusion of its annual general meeting held on 31 May 2013.
5. Ranillo Investments Limited ("Ranillo") and Hanika Realty Company Limited ("Hanika") ceased to be substantial shareholders of the Company with effect from 28 March 2013. Both Ms. Pansy Ho and Ms. Daisy Ho are directors of Ranillo. Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho are directors of Hanika.
6. Renita and Oakmount became the substantial shareholders of the Company with effect from 28 March 2013. Both Ms. Pansy Ho and Ms. Daisy Ho are directors of Renita and Oakmount.

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.

## Other Information

### Review by Audit Committee

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2013 of the Company have been reviewed by the audit committee of the Company. At the request of the Directors, the Company's external auditor, PricewaterhouseCoopers, 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, 21 August 2013

*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 and Mrs. Louise Mok; and the independent non-executive directors are Sir Roger Lobo, Mr. Norman Ho, Mr. Charles Ho and Mr. Michael Ng.*





**SHUN TAK HOLDINGS LIMITED**

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