

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



SHUN TAK HOLDINGS LIMITED

信德集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 242)

Website: <http://www.shuntakgroup.com>

2012 Interim Results Announcement

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.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June

		(Unaudited) 2012 (HK\$'000)	(Unaudited) 2011 (HK\$'000)
	<i>Note</i>		
Turnover	3	1,606,498	1,159,968
Other revenues		<u>68,166</u>	<u>56,172</u>
		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		<u>505,874</u>	<u>232,529</u>
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		<u>564,413</u>	<u>135,219</u>
Profit before taxation		1,091,891	279,359
Taxation	7	<u>(22,626)</u>	<u>(29,020)</u>
Profit for the period		<u>1,069,265</u>	<u>250,339</u>
 Attributable to:			
Owners of the Company		1,003,628	222,186
Non-controlling interests		<u>65,637</u>	<u>28,153</u>
Profit for the period		<u>1,069,265</u>	<u>250,339</u>
 Earnings per share (HK cents)			
— basic	9	<u>36.0</u>	<u>9.0</u>
— diluted		<u>34.6</u>	<u>9.0</u>

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	<u>1,069,265</u>	<u>250,339</u>
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	<u>(5,171)</u>	<u>8,359</u>
Other comprehensive loss for the period, net of tax	<u>(10,614)</u>	<u>(6,644)</u>
Total comprehensive income for the period	<u>1,058,651</u>	<u>243,695</u>
Attributable to:		
Owners of the Company	1,002,844	214,702
Non-controlling interests	<u>55,807</u>	<u>28,993</u>
Total comprehensive income for the period	<u>1,058,651</u>	<u>243,695</u>

CONDENSED CONSOLIDATED BALANCE SHEET

	(Unaudited)	(Audited)
	30 June	31 December
	2012	2011
<i>Note</i>	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Non-current assets		
Property, plant and equipment	2,365,499	2,476,640
Investment properties	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	1,007,378	994,699
Mortgage loans receivable	9,583	7,049
Deferred tax assets	36,429	33,332
Other non-current assets	<u>580,360</u>	<u>874,567</u>
	<u>11,363,936</u>	<u>11,609,257</u>
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	<i>10</i> 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	<u>7,304,891</u>	<u>5,348,927</u>
	20,742,221	17,695,112
Investment properties classified as held for sale	<u>645,000</u>	<u>—</u>
	<u>21,387,221</u>	<u>17,695,112</u>

		(Unaudited) 30 June 2012 (HK\$'000)	(Audited) 31 December 2011 (HK\$'000)
	<i>Note</i>		
Current liabilities			
Trade and other payables and receipts in advance	10	701,242	670,655
Sales deposits received		1,081,643	74,224
Bank borrowings		2,618,600	1,950,400
Convertible bonds		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
		<u>6,012,235</u>	<u>4,270,694</u>
Net current assets		<u>15,374,986</u>	<u>13,424,418</u>
Total assets less current liabilities		<u>26,738,922</u>	<u>25,033,675</u>
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
		<u>5,755,673</u>	<u>6,595,766</u>
Net assets		<u>20,983,249</u>	<u>18,437,909</u>
Equity			
Share capital		746,720	543,069
Reserves		17,647,440	15,242,083
Proposed dividends		—	119,475
Equity attributable to owners of the Company		<u>18,394,160</u>	<u>15,904,627</u>
Non-controlling interests		<u>2,589,089</u>	<u>2,533,282</u>
Total equity		<u>20,983,249</u>	<u>18,437,909</u>

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.

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.

	Property (HK\$'000)	Transportation (HK\$'000)	Hospitality (HK\$'000)	Investment (HK\$'000)	Eliminations (HK\$'000)	Consolidated (HK\$'000)
For the six months ended 30 June 2012						
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)	<u>2,995</u>	<u>12,548</u>	<u>1,065</u>	<u>538</u>	<u>—</u>	<u>17,146</u>
	<u>168,981</u>	<u>1,130,656</u>	<u>377,737</u>	<u>70,309</u>	<u>(124,039)</u>	<u>1,623,644</u>
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						<u>(54,958)</u>
Operating profit						592,357
Finance costs						<u>(70,013)</u>
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)	—	<u>564,413</u>
Profit before taxation						1,091,891
Taxation						<u>(22,626)</u>
Profit for the period						<u>1,069,265</u>

	Property (HK\$'000)	Transportation (HK\$'000)	Hospitality (HK\$'000)	Investment (HK\$'000)	Eliminations (HK\$'000)	Consolidated (HK\$'000)
For the six months ended 30 June 2011						
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)	<u>4,755</u>	<u>16,147</u>	<u>1,146</u>	<u>1,004</u>	<u>—</u>	<u>23,052</u>
	<u>149,288</u>	<u>794,091</u>	<u>311,538</u>	<u>18,274</u>	<u>(90,171)</u>	<u>1,183,020</u>
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						<u>(56,688)</u>
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)	—	<u>135,219</u>
Profit before taxation						279,359
Taxation						<u>(29,020)</u>
Profit for the period						<u>250,339</u>

Note 4 Other Net Income

For the six months ended 30 June

	2012 (HK\$'000)	2011 (HK\$'000)
Net gain on disposal of investment properties	—	4,500
Net loss on disposal of property, plant and equipment	(234)	(550)
Others	<u>569</u>	<u>532</u>
	<u>335</u>	<u>4,482</u>

Note 5 Operating Profit

For the six months ended 30 June

	2012 (HK\$'000)	2011 (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	<u>50,141</u>	<u>38,680</u>
	535,441	366,428
Impairment losses on available-for-sale investments	9,547	6,515
Share-based payments	<u>—</u>	<u>9,879</u>

Note 6 Finance Costs

For the six months ended 30 June

	2012 (HK\$'000)	2011 (HK\$'000)
Total finance costs incurred	82,243	67,865
Less: Amount capitalised in properties under development	<u>(12,230)</u>	<u>(5,347)</u>
	<u>70,013</u>	<u>62,518</u>

Note 7 Taxation

For the six months ended 30 June

	2012 (HK\$'000)	2011 (HK\$'000)
Hong Kong profits tax	9,079	6,796
Overseas tax	4,006	33,194
Deferred tax	<u>9,541</u>	<u>(10,970)</u>
	<u><u>22,626</u></u>	<u><u>29,020</u></u>

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.

Note 10 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	<u>6,365</u>	<u>3,750</u>
	<u>123,296</u>	<u>127,588</u>

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	<u>8,535</u>	<u>5,588</u>
	<u>268,427</u>	<u>334,116</u>

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.

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.

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.

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.

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 MOP 90 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 MOP 85 million (for the same period of 2011, MOP 78 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.

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

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

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.

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.

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 annual general meeting of the Company held on 6 June 2012 ("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 for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the “Model Code”) 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.

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 of the Company, 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
SHUN TAK HOLDINGS LIMITED
Pansy Ho
Managing Director

Hong Kong, 29 August 2012

As at the date of this announcement, 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.