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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 Annual Results Announcement

GROUP RESULTS

The board of directors (the “Board”) of Shun Tak Holdings Limited (the “Company”) announces the consolidated annual results for the year ended 31 December 2012 of the Company and its subsidiaries (the “Group”).

The profit attributable to owners of the Company for the year ended 31 December 2012 amounted to HK\$2,563 million, as compared with a profit of HK\$781 million last year. Basic earnings per share were HK 88.7 cents (restated 2011: HK 31.7 cents).

The profit attributable to owners of the Company for the year would be HK\$453 million (2011: HK\$384 million), after excluding the effect of attributable revaluation surplus (net of deferred tax) of HK\$2,110 million (2011: HK\$397 million) arising on investment properties held by the Group and a jointly controlled entity (holding 51% interest in One Central). The above revaluation surplus included the fair value gain of HK\$269 million in relation to the investment property at Star House, Tsimshatsui disposed during the year.

DIVIDENDS

The Board has recommended a final dividend of HK 8.5 cents (2011: HK 4.0 cents) per share for the year ended 31 December 2012. No interim dividend was declared by the Directors during the year (2011: nil). The total dividends for the year amounted to HK 8.5 cents (2011: HK 4.0 cents) per share.

The proposed final dividend, subject to shareholders’ approval at the forthcoming annual general meeting of the Company, is expected to be paid on or around 28 June 2013 to shareholders of the Company whose names appear on the register of members of the Company on 18 June 2013.

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER**

	<i>Note</i>	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Turnover	3	5,494,679	2,968,318
Other income		<u>147,432</u>	<u>127,059</u>
		5,642,111	3,095,377
Other gains, net	4	4,665	60,657
Cost of inventories sold and services provided		(3,199,690)	(1,418,320)
Staff costs		(970,428)	(830,357)
Depreciation and amortisation		(238,731)	(198,467)
Other costs		(451,116)	(429,251)
Fair value changes on investment properties		<u>1,149,930</u>	<u>420,152</u>
Operating profit	3,5	1,936,741	699,791
Finance costs	6	(180,974)	(134,154)
Share of results of associates		11,843	11,676
Share of results of jointly controlled entities		<u>1,451,325</u>	<u>423,165</u>
Profit before taxation		3,218,935	1,000,478
Taxation	7	<u>(156,455)</u>	<u>(74,588)</u>
Profit for the year		<u>3,062,480</u>	<u>925,890</u>
Attributable to:			
Owners of the Company		2,562,794	780,591
Non-controlling interests		<u>499,686</u>	<u>145,299</u>
Profit for the year		<u>3,062,480</u>	<u>925,890</u>
Earnings per share (HK cents)	9		<i>(restated)</i>
— basic		<u>88.7</u>	<u>31.7</u>
— diluted		<u>85.2</u>	<u>31.5</u>

Details of the dividends proposed for the year are disclosed in note 8.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER**

	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year	<u>3,062,480</u>	<u>925,890</u>
Other comprehensive income/(loss)		
Available-for-sale investments:		
Changes in fair value	17,807	(75,270)
Reversal of reserve upon disposal of available-for-sale investments	16,265	29,598
Cash flow hedges:		
Changes in fair value, net of tax	—	19,047
Reversal of reserve upon the closure of cash flow hedges, net of tax	833	(52,090)
Properties:		
Changes in reserve upon the disposal of properties, net of tax	—	4,357
Exchange differences on translation of financial statements of foreign operations	<u>10,676</u>	<u>19,066</u>
Other comprehensive income/(loss) for the year, net of tax	<u>45,581</u>	<u>(55,292)</u>
Total comprehensive income for the year	<u>3,108,061</u>	<u>870,598</u>
Attributable to:		
Owners of the Company	2,605,458	736,386
Non-controlling interests	<u>502,603</u>	<u>134,212</u>
Total comprehensive income for the year	<u>3,108,061</u>	<u>870,598</u>

CONSOLIDATED BALANCE SHEET

		As at 31 December	
	Note	2012	2011
		HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment		2,262,702	2,476,640
Investment properties		5,049,944	3,993,927
Prepaid premium for land lease		8,414	8,658
Associates		962,362	190,848
Jointly controlled entities		3,569,337	2,664,040
Intangible assets		365,047	365,497
Available-for-sale investments		1,017,242	1,006,602
Mortgage loans receivable		14,020	7,049
Deferred tax assets		25,747	33,332
Other non-current assets		675,174	874,567
		<u>13,949,989</u>	<u>11,621,160</u>
Current assets			
Properties for or under development		8,238,777	10,726,517
Inventories		1,945,670	384,408
Trade and other receivables, and deposits paid	10	2,431,154	1,216,998
Derivative financial instruments		4,749	—
Taxation recoverable		1,344	6,359
Cash and bank balances		7,681,879	5,348,927
		<u>20,303,573</u>	<u>17,683,209</u>
Current liabilities			
Trade and other payables, and receipts in advance	10	1,012,239	670,655
Deposits received from sale of properties		497,441	74,224
Bank borrowings		3,103,025	1,950,400
Convertible bonds		—	1,487,465
Derivative financial instruments		—	998
Provision for employee benefits		18,015	18,873
Taxation payable		86,247	68,079
		<u>4,716,967</u>	<u>4,270,694</u>

	As at 31 December	
	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net current assets	<u>15,586,606</u>	<u>13,412,515</u>
Total assets less current liabilities	<u>29,536,595</u>	<u>25,033,675</u>
Non-current liabilities		
Receipts in advance	40,896	33,226
Bank borrowings	2,847,000	3,815,025
Convertible bonds	813,379	—
Deferred tax liabilities	1,011,077	949,173
Loans from non-controlling shareholders	<u>1,796,316</u>	<u>1,798,342</u>
	<u>6,508,668</u>	<u>6,595,766</u>
Net assets	<u>23,027,927</u>	<u>18,437,909</u>
Equity		
Share capital	746,720	543,069
Share premium	8,851,587	7,449,074
Reserves	10,144,536	7,793,009
Proposed dividends	<u>253,885</u>	<u>119,475</u>
Equity attributable to owners of the Company	19,996,728	15,904,627
Non-controlling interests	<u>3,031,199</u>	<u>2,533,282</u>
Total equity	<u>23,027,927</u>	<u>18,437,909</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 1 Basis of preparation

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Note 2 Impact of New or Revised Hong Kong Financial Reporting Standards

(a) Adoption of new standards

Other than HKAS 12 “Income Taxes” which was early adopted last year, there are no HKFRSs or HK(IFRIC) interpretations that are effective for the first time for the financial year beginning on or after 1 January 2012 that would have a material impact on the Group.

(b) The Group has not early applied the following new or revised HKFRSs that have been issued but are not yet effective.

A number of new standards and amendments to standards and interpretations, that are relevant to the Group, are issued but not yet effective for financial periods beginning on or after 1 January 2013, and have not been applied in preparing these consolidated financial statements.

HKAS 1 (Revised) (Amendments)	Presentation of Financial Statements ¹
HKAS 27 (2011)	Separate Financial Statements ²
HKAS 28 (2011)	Investments in Associates and Joint Ventures ²
HKFRS 9	Financial Instruments ³
HKFRS 10	Consolidated Financial Statements ²
HKFRS 11	Joint Arrangements ²
HKFRS 12	Disclosure of Interests in Other Entities ²
HKFRS 13	Fair Value Measurements ²
Amendments to HKFRS 10, HKFRS 11 & HKFRS 12	Transition Guidance ²

¹ Effective for annual periods beginning on or after 1 July 2012

² Effective for annual periods beginning on or after 1 January 2013

³ Effective for annual periods beginning on or after 1 January 2015

The Group has already commenced an assessment of the impact of these new or revised HKFRSs, certain of which are relevant to our Group's operation and will give rise to changes in presentation, disclosures and measurements of certain items in the financial statements.

HKFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the parts of HKFRS 39 that relate to the classification and measurement of financial instruments. HKFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the HKAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. Also, the cost option is no longer available and all unquoted available-for-sale investments must be stated at fair value. The Group is yet to assess HKFRS 9's full impact and intends to adopt HKFRS 9 no later than the accounting period beginning on or after 1 January 2015. The Group will also consider the impact of the remaining phases of HKFRS 9 when completed by the Board.

Other than HKFRS 9, other new and revised HKFRSs that would not be expected to have a material impact on the Group.

Note 3 Segment information

(a) Segment results, assets and liabilities

2012

	Property <i>HK\$'000</i>	Transportation <i>HK\$'000</i>	Hospitality <i>HK\$'000</i>	Investment <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Turnover and other income						
External turnover (note c)	2,466,137	2,104,285	783,948	140,309	—	5,494,679
Inter-segment turnover	2,926	221,339	44,337	—	(268,602)	—
Other income (external and excluding interest income)	<u>6,824</u>	<u>31,065</u>	<u>3,471</u>	<u>1,246</u>	<u>—</u>	<u>42,606</u>
	<u>2,475,887</u>	<u>2,356,689</u>	<u>831,756</u>	<u>141,555</u>	<u>(268,602)</u>	<u>5,537,285</u>
Segment results	518,291	64,884	98,224	87,385	—	768,784
Fair value changes on investment properties	1,149,930	—	—	—	—	1,149,930
Interest income						104,826
Unallocated income						939
Unallocated expense						<u>(87,738)</u>
Operating profit						1,936,741
Finance costs						(180,974)
Share of results of jointly controlled entities	1,471,487	12,813	(27,985)	(4,990)	—	1,451,325
Share of results of associates	1,245	581	8,240	1,777	—	<u>11,843</u>
Profit before taxation						3,218,935
Taxation						<u>(156,455)</u>
Profit for the year						<u>3,062,480</u>

	Property HK\$'000	Transportation HK\$'000	Hospitality HK\$'000	Investment HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Assets						
Segment assets	19,903,515	3,111,188	1,446,262	1,068,806	(44,825)	25,484,946
Associates	767,703	3,804	189,385	1,470	—	962,362
Jointly controlled entities	3,626,760	43,785	(88,039)	(13,169)	—	3,569,337
Unallocated assets						<u>4,236,917</u>
Total assets						<u><u>34,253,562</u></u>
Liabilities						
Segment liabilities	1,143,328	298,200	127,464	6,465	(36,975)	1,538,482
Unallocated liabilities						<u>9,687,153</u>
Total liabilities						<u><u>11,225,635</u></u>
Other information						
Additions to non-current assets (other than financial instruments and deferred tax assets)	*1,345,503	16,453	3,334	210		
Depreciation	55,328	115,656	64,039	1,946		
Amortisation						
- prepaid premium for land lease	—	—	244	—		
- intangible assets	200	—	160	90		
Impairment losses on						
- available-for-sale investments	—	—	—	9,547		
- trade receivables	<u>—</u>	<u>3,780</u>	<u>9</u>	<u>—</u>		

* Included transfer from properties under development to investment property of HK\$544 million and capital contribution to an associate of HK\$764 million during the year.

2011

	Property <i>HK\$'000</i>	Transportation <i>HK\$'000</i>	Hospitality <i>HK\$'000</i>	Investment <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Turnover and other income						
External turnover (note c)	546,886	1,665,662	658,124	97,646	—	2,968,318
Inter-segment turnover	3,148	157,386	35,752	—	(196,286)	—
Other income (external and excluding interest income)	<u>4,977</u>	<u>39,575</u>	<u>2,785</u>	<u>1,590</u>	<u>—</u>	<u>48,927</u>
	<u>555,011</u>	<u>1,862,623</u>	<u>696,661</u>	<u>99,236</u>	<u>(196,286)</u>	<u>3,017,245</u>
Segment results	185,587	(10,031)	56,090	53,699	—	285,345
Fair value changes on investment properties	420,152	—	—	—	—	420,152
Interest income						78,132
Unallocated income						1,103
Unallocated expense						<u>(84,941)</u>
Operating profit						699,791
Finance costs						(134,154)
Share of results of jointly controlled entities	459,963	10,845	(42,946)	(4,697)	—	423,165
Share of results of associates	(9)	185	9,799	1,701	—	<u>11,676</u>
Profit before taxation						1,000,478
Taxation						<u>(74,588)</u>
Profit for the year						<u>925,890</u>

	Property HK\$'000	Transportation HK\$'000	Hospitality HK\$'000	Investment HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Assets						
Segment assets	18,220,984	2,924,597	1,504,900	1,053,395	(47,001)	23,656,875
Associates	2,636	3,374	183,645	1,193	—	190,848
Jointly controlled entities	2,690,618	43,278	(61,677)	(8,179)	—	2,664,040
Unallocated assets						<u>2,792,606</u>
Total assets						<u>29,304,369</u>
Liabilities						
Segment liabilities	373,278	305,178	117,929	6,189	(34,211)	768,363
Unallocated liabilities						<u>10,098,097</u>
Total liabilities						<u>10,866,460</u>
Other information						
Additions to non-current assets (other than financial instruments and deferred tax assets)	72,978	385,804	13,195	344		
Depreciation	24,168	106,942	63,759	1,977		
Amortisation						
- prepaid premium for land lease	—	—	244	—		
- intangible assets	133	—	137	90		
Impairment losses on						
- available-for-sale investments	—	—	—	43,200		
- trade receivables	301	—	77	—		
Net (write-back)/write-down of inventories	<u>—</u>	<u>(3,301)</u>	<u>—</u>	<u>389</u>		

(b) Geographical information

	Hong Kong <i>HK\$'000</i>	Macau <i>HK\$'000</i>	Others <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
2012				
Turnover and other income from external customers	<u>3,964,053</u>	<u>1,425,223</u>	<u>148,009</u>	<u>5,537,285</u>
Non-current assets	<u>5,581,820</u>	<u>1,353,913</u>	<u>750,374</u>	<u>7,686,107</u>
2011				
Turnover and other income from external customers	<u>1,579,108</u>	<u>1,314,813</u>	<u>123,324</u>	<u>3,017,245</u>
Non-current assets	<u>4,999,390</u>	<u>1,188,153</u>	<u>657,180</u>	<u>6,844,723</u>

(c) External turnover

External turnover is comprised of revenue by each reportable segment and dividend income from available-for-sale investments.

Note 4 Other gains, net

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Net (loss)/gain on disposal of investment properties	(6,684)	4,500
Net gain on disposal of property, plant and equipment	17,150	9,562
Net (loss)/gain on disposal of available-for-sale investments	(6,740)	35,461
Gain on acquisition	—	2,359
Others	<u>939</u>	<u>8,775</u>
	<u>4,665</u>	<u>60,657</u>

Note 5 Operating profit

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
After crediting:		
Interest income	105,562	78,811
Rental income from investment properties	172,856	168,100
Less: Direct operating expenses arising from investment properties	<u>(10,613)</u>	<u>(12,512)</u>
	162,243	155,588
Dividend income from listed investments	9,079	8,369
Dividend income from unlisted investments	<u>104,259</u>	<u>64,281</u>
After charging:		
Cost of inventories		
— properties	1,524,813	90,392
— fuel	967,489	748,512
— others	<u>112,128</u>	<u>80,089</u>
	2,604,430	918,993
Impairment losses on available-for-sale investments	9,547	43,200
Share-based payments	<u>—</u>	<u>9,879</u>

Note 6 Finance costs

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Interest on bank loans and overdraft wholly repayable within 5 years	81,073	69,888
Interest on convertible bonds wholly repayable within 5 years	69,021	74,513
Interest on loans from non-controlling shareholders	8,743	2,206
Cost of early redemption of convertible bonds	24,243	—
Other finance costs	<u>20,232</u>	<u>60,421</u>
Total interest expenses	203,312	207,028
Less: Amount capitalised in properties under development	<u>(22,338)</u>	<u>(72,874)</u>
	<u>180,974</u>	<u>134,154</u>

Note 7 Taxation

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Hong Kong profits tax	80,347	20,480
Overseas taxation	7,924	52,606
Deferred taxation	<u>68,184</u>	<u>1,502</u>
	<u>156,455</u>	<u>74,588</u>

Hong Kong profits tax is calculated at 16.5% (2011: 16.5%) on the estimated assessable profits for the year. Overseas taxation is calculated at tax rates applicable in jurisdictions in which the Group operates.

Note 8 Dividends

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Proposed final dividend of HK 8.5 cents on 2,986,880,719 shares (2011: HK 4.0 cents on 2,986,880,719 shares)	<u>253,885</u>	<u>119,475</u>

Note 9 Earnings per share

The calculation of basic earnings per share is based on profit attributable to owners of the Company of HK\$2,562,794,000 (2011: HK\$780,591,000) and the weighted average number of 2,889,291,226 shares (2011: 2,461,619,629 shares, after adjusting for the rights issue completed in March 2012) in issue during the year. The calculation of diluted earnings per share is based on profit attributable to owners of the Company of HK\$2,631,815,000 (2011: HK\$780,591,000) and the weighted average number of 3,088,239,325 shares (2011: 2,474,808,721 shares, after adjusting for rights issue completed in March 2012) in issue after adjusting for the effects of all dilutive potential ordinary shares.

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 1 day to 60 days to its customers, except for sales 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:

	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 - 30 days	92,183	93,979
31 - 60 days	25,058	21,790
61 - 90 days	4,969	8,069
over 90 days	<u>5,503</u>	<u>4,662</u>
	<u>127,713</u>	<u>128,500</u>

The ageing analysis of trade creditors is as follows:

	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 - 30 days	636,610	316,671
31 - 60 days	9,867	7,156
61 - 90 days	5,326	4,701
over 90 days	<u>4,364</u>	<u>5,588</u>
	<u>656,167</u>	<u>334,116</u>

Note 11 Comparatives

Certain comparative figures of the consolidated income statement have been reclassified to conform to the current year's presentation. These reclassifications have no impact on the Group's total equity as at both 31 December 2012 and 2011, or on the Group's profit for the years ended 31 December 2012 and 2011.

BUSINESS REVIEW

PROPERTY

The division delivered promising results in 2012 on the back of bookings from the sale of Chatham Gate and the disposition of an investment property at Star House in Hong Kong. The division registered an operating profit of HK\$518 million (2011: HK\$186 million), plus HK\$1,473 million (2011: HK\$460 million) in share of profits from jointly controlled entities and associates, primarily attributable to the One Central project. The aggregate divisional profit, after excluding revaluation surplus arising from investment properties, is HK\$761 million (2011: HK\$545 million). In addition, further launches of Nova Park in Macau were met with favorable responses from the market. The strong performance is indicative of a solid customer base for reputable developments, and the Group has created the brands and reputation to capitalize upon such demands for quality homes.

Property Developments

Projects Completed with Recent Sales

IN MACAU

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.

99% of the seven residential towers in One Central Residences has been sold as of 31 December 2012, with six featured units sold within the year. As for The Residences and Apartments at Mandarin Oriental, Macau, eight units were sold in year 2012, with only 2 units remaining.

Taipa Hills Memorial Garden

The project is a contemporary columbarium in Macau that opened in 2011 in which the Group holds a 79% interest. 3,810 niches have been sold on the launched for sale on the smoke-free ground floor and first floor for Chinese religions as of 31 December 2012.

The Group has planned to further support this columbarium project by expanding its business to funeral service in Hong Kong, which offers tailored solutions to families opting for one-stop services. A new brand, Wing Nim Memorial Services, was launched in the first quarter of 2013 for the purpose.

IN HONG KONG

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. It comprises two luxurious residential towers offering units that range from 392 square feet to 2,080 square feet in versatile studio to four-bedroom configurations. Occupation permit was issued in October 2012. Handover of units commenced in the first quarter of 2013 while the shopping arcade is expected to open in the third quarter of 2013.

As of 31 December 2012, 236 out of 334 residential units have been sold with an average selling price of approximately HK\$11,500 per square feet.

Projects under Development with Recent Sales

IN MACAU

Nova Park

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, newly opened for public use in December 2012. Its three residential towers will cover a gross floor area of approximately 680,000 square feet and will become yet another asset in our varied product portfolio.

Foundation work has been completed and superstructure works have commenced. Project completion is slated for the fourth quarter of 2014. The development has been launched for sale in March and June of 2012, with both occasions attracting fervent response from the market. As of 31 December 2012, 334 units have been sold with an average selling price of HK\$5,200 per square feet.

Projects under Development

IN MACAU

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 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 and comfort to become the gathering hub of the entire Taipa community. The project is under planning and foundation works are expected to commence by mid-2013.

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 the entire Nam Van district. 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 five-star hotels on the site.

IN HONG KONG

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 on the southern side of Hong Kong Island. Superstructure works are in progress and the project is scheduled for completion in the fourth quarter of 2013.

IN CHINA

Beijing Tongzhou Integrated Development

In October 2012, the Group entered a consortium to develop an iconic landmark in the new business district of Beijing - the Tongzhou District comprising retail, office and serviced apartment components. It is located on a prime site fronting the famous Grand Canal and enjoys direct connectivity to future subway and bus interchange stations. Total gross floor area of the project approximates 402,000 square meters. The Group holds 24% interest in the project.

Property Investments

IN MACAU

One Central Shopping Mall

Directly appending to MGM Macau and the premium 213-room Mandarin Oriental, Macau hotel, One Central Shopping Mall houses leading worldwide designer brands, many of which have selected this prime location to establish their strategic flagship stores. Occupancy averaged at 95% in 2012, generating extremely favorable yield on the investment, and achieved satisfactory rental revision.

Shun Tak House

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

IN HONG KONG

The Westwood

Home to a myriad of chain retailers, The Westwood, a five-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 31 December 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.

Disposal of Asset

In August 2012, the Group completed the disposal of a long term valuable investment located within Star House in Hong Kong, after identifying a favorable opportunity to capitalize upon a substantial valuation gain. Based on agreed cash consideration of HK\$645 million, the Group recorded a fair value gain of HK\$269 million in

respect of this sale transaction. After taking into account of relevant transaction costs of approximately HK\$7 million, the Group recognised a net gain of approximately HK\$262 million in total. This is a strategic step to consolidate resources leading to improvements in portfolio return for the future.

IN CHINA

Guangzhou Shun Tak Business Centre

The property is a 32-storey office tower on a 6-storey shopping arcade. It registered satisfactory leasing performance in 2012. The Group holds 60% interest in the property.

Property Services

Shun Tak Property Management Limited (“STPML”), the Group’s wholly owned subsidiary engaging in property management, oversees a portfolio size of 16.3 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.

TRANSPORTATION

Year 2012 marks an exciting and eventful 50th anniversary for TurboJET, the division’s flagship ferry operation. A number of significant developments have helped to strengthen its financial position and reestablish profitability. The transportation division collectively posted HK\$65 million in operating profit which represents a 743% year-on-year improvement.

Two significant events paved way for the recovery of TurboJET towards the end of 2011. Firstly, a fare increment with the approval from the Macau SAR Government alleviated pressure from high fuel cost. Secondly, a strategic acquisition of New World First Ferry Services (Macau) enabled economies of scale and allowed TurboJET to penetrate high-volume tour group market departing from Kowloon.

In June 2012, the Group successfully integrated the Kowloon-Macau route under the brand name of TurboJET. In the same month, the Group also expanded its network to operate routes between Taipa Temporary Ferry Terminal and Hong Kong. The

expansion of service network provides valuable flexibility and convenience for TurboJET passengers. In 2012, TurboJET serviced 13.9 million passengers on the Hong Kong-Macau routes including Kowloon service, recording an increase of 20% as compared to 2011.

TurboJET has an upgrading scheme in place for its Jetfoil fleet to improve yield and meet the growing demand for premium passenger ferry services. The third overhauled ferry was launched in the third quarter of 2012, enabling TurboJET to provide Premier Jetfoil service every hour throughout the day. Popularity of this superior service testifies to a rapidly growing luxury segment in the Macau tourism market. TurboJET aims to provide half-hourly sailings by the fleet of Premier Jetfoils.

In November 2012, shipping services operations at the Macau Maritime Ferry Terminal were transferred under the direct management of Shun Tak-China Travel. Through this self-handling arrangement, TurboJET is able to effectively consolidate resources and streamline operations at the terminal, and to enhance passengers' pre-boarding experience

In keeping with the Group's commitment in forging a multimodal transportation network within the Pearl River Delta, it continued its strategic alliances with mainland ferry operators by offering passenger ferry services to Shenzhen, Shekou and Nansha. In August 2012, the Group further enhanced its network by launching ferry service between Taipa Temporary Ferry Terminal and Shekou. In addition, the Group's joint venture, Hong Kong International Airport Ferry Terminal Services Limited, had been awarded by the Airport Authority Hong Kong to continue the management of the ferry operations at SkyPier from April 2013. In 2012, SkyPier continued to show encouraging growth, setting record numbers in terms of passenger throughput at 2.6 million, achieving an 8.3% year-on-year growth.

The Group is committed to enhancing passenger convenience by using innovative technology. During the year, TurboJET launched a new mobile application, allowing passengers to search and reserve available sailings by using their smartphones. Passengers are also able to have instant access to booking account and receive alert message for departure time through the mobile application.

To Celebrate 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 recognise and reward its fans through engaging activities.

In mid-2012, TurboJET received two major industry awards in recognition of its quality service and environmental excellence, namely CILT Award 2011 —

Enterprise Award from the Chartered Institute of Logistics and Transport (CILT) in Hong Kong and 2011 Hong Kong Awards for Environmental Excellence — Gold Award in Transport and Logistics Sector from Environmental Campaign Committee and Environmental Protection Department in Hong Kong.

Shun Tak & CITS Coach (Macao) Limited

On land, the coach bus rental business continued to deliver strong returns with revenue of HK\$95 million (2011: HK\$88 million). Shun Tak & CITS Coach (Macao) Limited operates a fleet of 131 vehicles for cross-border and local rental services.

HOSPITALITY

The division continued to benefit from an unprecedented level of tourist arrivals, and demonstrated all-rounded growth in multiple facets of its hospitality business. The division posted HK\$98 million in operating profit, an exemplary 75% year-on-year growth. Having consolidated a staunch foundation and resourceful network, the Group is poised to advance its hospitality business into new realms that will further complete its vision as a comprehensive travel and tourism group in 2013.

Hotels

In Hong Kong, the 658-room SkyCity Marriott Hotel located close to the AsiaWorld-Expo, the Hong Kong International Airport and the SkyPier, delivered impressive results in 2012. The management executed an effective sales management control system by targeting specific high yielding market segments which resulted in room rate growth. Combined with a strict cost regime, the hotel achieved a year of record profits, registering a strong 18% increase in revenue amounting to HK\$345 million, and an average occupancy of 81%.

Hong Kong SkyCity Marriott Hotel has won the “Best Business Hotel in China” by Business Destination Travel Awards, “Winner Certificate of Excellence 2012” from Trip Advisor, as well as “The Best Airport Hotel in China” by China Hotel Starlight Awards. The hotel also received a global “Hotel of the Year” nomination, out of over 800 Marriott branded hotels.

Mandarin Oriental, Macau leveraged upon its convenient location, strong brand affiliation, and signature service to achieve an average occupancy rate of over 67% and revenue of MOP194 million. It continued to lead the room rates in its competitive set for year 2012. The hotel received a prestigious award in the “Five Star Rated Spa” category by 2012 Forbes Travel Guide. Vida Rica Restaurant and Bar was also rated as “Recommended” restaurant by the 2012 Forbes Travel Guide.

Westin Hotel continued to focus on delivering value resort experiences for holidaymakers who prefer a tranquil, leisurely and non-gaming environment near the beach and mountains of Coloane. The management team continued its collaboration with Macau Golf & Country Club, and implemented an innovative and extensive marketing plan, including exploration of new overseas markets, that returned encouraging results. The property achieved a 70% occupancy rate and satisfactory revenue.

Hospitality Management

Macau Tower registered strong performance in Banquet and MICE business in 2012, having held top class events such as The Global Tourism Economy Forum • Macau 2012 and many important official government occasions. Nonetheless, observation admission dropped marginally due to a circumstantial decline in visitor numbers from two major markets, namely India and Japan. AJ Hackett-Macau Tower continued to fare well with its World's Highest Commercial Bungy Jump leading in popularity amongst other urban adventure products. In September 2012, it stood out from 37 towers across 20 countries and clinched the Award of Excellence in Innovation — Promotion from World Federation of Great Towers with its creative promotional campaign “Crazy Bungy Battle”.

TRAVEL AND MICE

Shun Tak Travel achieved remarkable growth in sales buoyed by the stable Asian economy and healthy regional tourism expansion. The division enjoyed a broad increase in all segments of business including leisure, corporate and MICE. In particular, a hike in ferry ticket sales followed the acquisition of New World First Ferry Services (Macau) by the Group. In China, Shun Tak is making a name in tailored corporate hospitality solution, having serviced many large enterprises and leading brands, including the Tianjin Summer Davos 2012. All in all, the division attained a record gross revenue of HK\$365 million, representing a 19% year-on-year growth.

INVESTMENT

The investment division recorded a gain of HK\$87 million (2011: HK\$54 million) in 2012, with the income mainly attributable to dividend from Sociedade de Turismo e Diversões de Macau, S.A. (“STDM”). It is expected that STDM will be declaring dividends twice yearly on a regular basis in the future, contributing to a stable stream of revenue for the Group.

The Group owns an effective interest in STDM of approximately 11.5%, which in turn owns approximately 54.98% effective shareholding in SJM Holdings Limited

(“SJM Holdings”), a listed company in Hong Kong, SJM Holdings owns the entire shareholding interests of Sociedade de Jogos de Macau S.A., one of the six gaming concessionaires licensed by the Macau SAR Government to operate casinos in Macau.

The Group is poised to participate in the exciting and dynamic new cruise terminal at Kai Tak, through a consortium with Worldwide Flight Services Holding SA and Royal Caribbean Cruises Ltd.. The facility is slated for completion by mid-2013, and the awarded contract comprises of a 10-year tenancy agreement. The new cruise terminal is located on the former Kai Tak runway with two alongside berths, which can accommodate the new class of mega-cruisers and instrumental in developing Hong Kong into an international cruise hub.

Macau Matters Company Limited is the Group’s retail arm, operating Toys “R” Us Macau in Macau Tower.

FINANCIAL ACTIVITIES

Through a rights issue exercise, the Group successfully raised HK\$1.6 billion in March 2012 as general working capital and to finance new investment opportunities. An oversubscription of approximately 19 times of the total number of rights shares available was recorded, at the subscription price of HK\$2.02 each and on the basis of 3 rights shares for every 8 ordinary shares.

In October 2012, the Group, at the option of the bondholders, redeemed an aggregate principal amount of HK\$716.2 million of convertible bonds (Stock Code: 4313), at the conversion price of HK\$7.17. The original aggregate principal amount issued in year 2009 was HK\$1,550 million, bearing an annual interest of 3.3%.

In February 2013, the Group announced the establishment and listing of a US\$1 billion guaranteed medium term note programme (the “MTN Programme”) on The Stock Exchange of Hong Kong Limited. In March 2013, the Group further announced a US\$400 million 7-year guaranteed notes at 5.7% due in March 2020 (Stock Code: 5910) was issued under the MTN Programme, an oversubscription of approximately 12 times was recorded. The proceeds are intended to be used for financing new investment opportunities and for general working capital purposes.

RECENT DEVELOPMENTS AND PROSPECT

Strong performance from the property division was underpinned by revenue generated from the sale of Chatham Gate and the disposal of a valuable property within Star House. In 2013, the Group expects to further launch some of the remaining units at Nova Park and Chatham Gate.

Moreover, the Group undertook a key decision to make its foray in property development in Northern China. A site in the new business district of Beijing-Tongzhou, has been identified to develop an iconic architecture comprising retail, office and serviced apartments. With the new strategic value of Tongzhou, as well as comprehensive transportation network connecting the property with the rest of the capital city, the Group is convinced about the potential of the project.

The transportation division made promising recovery in 2012, benefiting from a stabilized operating environment and an increase in ticket price. Following the integration of TurboJET and New World First Ferry Services (Macau), the Group managed to restore economies of scale and maintain an efficient and sustainable cross border ferry service. In June 2012, TurboJET commenced service to Taipa Temporary Ferry Terminal, which marks a significant step in its network expansion to cover all seaports across Hong Kong and Macau.

The hospitality division made remarkable progress in 2012 with broad-based growth in all sectors. The positive results bear testimony to the Group's profound understanding of the region's hospitality landscape, as well as its strategic approach in diversifying its portfolio in asset investments and business development.

In Hong Kong, the Group has won a management contract for the new Kai Tak Cruise Terminal through a three-way consortium, and will primarily be responsible for the leasing of commercial space within the terminal when it opens in 2013.

For years, management has been committed to forging a well-rounded tourism brand under the umbrella of Shun Tak, and this vision is gradually taking shape. The Group has established a strong presence in China through acquisitions and partnership, and in 2013, it has further plans to expand by launching tourism products that carry a uniquely oriental flavor.

In March 2012, the Group undertook a rights issue exercise where a capital of HK\$1.6 billion has been raised, attracting an oversubscription of approximately 19 times. One year later, in March 2013, the Group announced a US\$400 million 7-year guaranteed notes at an annual coupon of 5.7%. This also resulted in an approximately 12-times oversubscription. Such strong market responses reflected the public's vote of confidence in the financial solidarity and growth potential of our Group.

With a reliable track record and clear expansion plan, Shun Tak Group is at the cusp of breaking through new realms with prudence and determination. Year 2013 promises to be exciting and rewarding, marking further steps in our commitment to generate sustainable value for shareholders in the future.

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

The Group's bank balances and deposits stood at HK\$7,682 million as at 31 December 2012. It is the Group's policy to secure adequate funding to match with cash flows required for working capital and investing activities. At 31 December 2012, total bank loan facilities available to the Group was HK\$12,585 million, of which HK\$6,635 million remained undrawn. The Group's bank borrowings outstanding at the year end amounted to HK\$5,950 million. Apart from the bank borrowings, the Group's borrowings also comprised the liability component of guaranteed convertible bonds of HK\$813 million.

The maturity profile of the Group's borrowings is set out below:

Maturity Profile

Within 1 year	1-2 years	2-5 years	Total
46%	22%	32%	100%

As the Group had a net cash balance at the year 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.

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.

In October 2012, the convertible bonds with nominal value of HK\$716 million were redeemed and cancelled at a consideration of HK\$728 million including accrued interest.

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

Event after the Balance Sheet date

On 29 October 2012, the Group successfully tendered for 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 completed in January 2013 and financed by internal resources of the Group and bank loans. As at 31 December 2012, a deposit of HK\$77 million was made for this purchase.

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 (MTN) 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 (equivalent to approximately HK\$3,100 million) under the programme by issuing MTNs 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.

Charges on Assets

At the year end, bank loans to the extent of approximately HK\$1,610 million (2011: HK\$1,775 million) were secured with charges on certain assets of the Group amounting to an aggregate carrying value of HK\$9,479 million (2011: HK\$8,964 million). Out of the above secured bank loans, an aggregate amount of HK\$1,449 million (2011: HK\$1,505 million) was also secured by pledges of shares in certain subsidiaries.

Contingent Liabilities

There was no material contingent liabilities of the Group at the year 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 year 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 3,270 employees at the year 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.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining shareholders' eligibility to attend and vote at the 2013 annual general meeting of the Company, and entitlement to the final dividend, the register of members of the Company will be closed. Details of such closures are set out below:

- (i) For determining shareholders' eligibility to attend and vote at the 2013 annual general meeting of the Company:

Latest time to lodge transfer documents for registration	4:30 p.m. on Thursday, 30 May 2013
Closure of register of members	Friday, 31 May 2013 to Friday, 7 June 2013 (both days inclusive)
Record date	Friday, 7 June 2013

(ii) For determining shareholders' entitlement to the final dividend:

Latest time to lodge transfer documents
for registration4:30 p.m. on Thursday, 13 June 2013

Closure of register of membersFriday, 14 June 2013
to Tuesday, 18 June 2013
(both days inclusive)

Record dateTuesday, 18 June 2013

During the above closure periods, no transfer of shares will be registered. To be eligible to attend and vote at the 2013 annual general meeting of the Company, and to qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than the aforementioned latest time.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held on Friday, 7 June 2013. The notice of annual general meeting will be published on the websites of the Company and The Stock Exchange of Hong Kong Limited and despatched to the shareholders of the Company in due course.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

On 22 October 2012, the 3.3% guaranteed convertible bonds due 2014 in the aggregate principal amount of HK\$1,550,000,000 issued by Joyous King Group Limited, a wholly owned subsidiary of the Company (Stock Code: 4313) (the "Convertible Bonds") having an aggregate principal amount of HK\$716,200,000 were, at the option of the bondholders, redeemed at their principal amount together with interest accrued thereon. The Convertible Bonds so redeemed had forthwith been cancelled. Following the redemption and cancellation, the remaining outstanding aggregate principal amount of the Convertible Bonds is HK\$833,800,000. The maximum number of shares issuable by the Company upon full conversion of the outstanding Convertible Bonds at the conversion price in effect (being HK\$7.17) is 116,290,097 shares.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2012.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance. As corporate governance requirements change from time to time, the Board periodically reviews the corporate governance practices of the Company to meet rising expectations of the shareholders of the Company and comply with the increasingly stringent regulatory requirements. In the opinion of the Board of the Company, the Company has applied the principles and complied with all relevant code provisions in the Code on Corporate Governance Practices (effective until 31 March 2012) and the Corporate Governance Code (effective from 1 April 2012) as set out in Appendix 14 of the Listing Rules throughout the year ended 31 December 2012, except for deviation from (i) the second part of the code provision A.6.7, which states that independent non-executive director and other non-executive director should attend general meetings. Dato' Dr. Cheng Yu Tung, a Non-Executive Director, Mr. Norman Ho and Mr. Charles Ho, both are Independent Non-Executive Directors, were unable to attend the annual general meeting of the Company held on 6 June 2012 ("AGM") as they had overseas and/or other engagements; and (ii) the first part of code provision E.1.2, which states that the chairman of the board should attend annual general meeting. In the absence of the Group Executive Chairman at the Company's AGM, the Managing Director (who is also a member of the remuneration committee and nomination committee) took the chair and, together with the members of the audit committee and other directors, made themselves available to answer shareholders' questions regarding the activities of the Company and various Board committees.

REVIEW BY AUDIT COMMITTEE

The Group's consolidated financial statements for the year ended 31 December 2012 have been reviewed by the audit committee of the Company. The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2012 have been agreed by the Company's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong

Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this preliminary announcement.

By order of the Board
SHUN TAK HOLDINGS LIMITED
Pansy Ho
Managing Director

Hong Kong, 25 March 2013

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