



Shun Tak Holdings Limited
信德集團有限公司

Stock Code 股份代號 242

2009 INTERIM REPORT
中期業績報告





Springing into endless opportunities

Pasqueflower, a colorful flower resistant to even the coldest winters, is usually one of the first plants to bloom at the dawn of spring.

The cover design epitomizes Shun Tak's diligent efforts in establishing a solid foundation for future growth. Undaunted by challenges in the environment, the Group forges ahead with unique foresight, careful planning and unfailing perseverance. At times of difficulties, Shun Tak is still dynamically identifying opportunities in the market and capitalizing upon them.

處處生機

野銀蓮花 (Pasqueflower) 生命力頑強，不但能抵禦嚴寒，更於初春時，競先盛放。

封面設計比喻信德多年來在各項業務的投資穩健，成功為未來發展建立了雄厚的根基。雖處逆境，仍保持銳利的眼光、高瞻遠見，和堅毅不屈的精神，踏實拓展各項業務。因此，在困難的環境中，仍能險中求勝，顯現處處生機。

Contents

2	Group Results
2	Interim Dividend
2	Closure of Register of Members
3	Business Review
9	Prospects and Recent Developments
11	Financial Review
13	Condensed Consolidated Income Statement
14	Condensed Consolidated Statement of Comprehensive Income
15	Condensed Consolidated Balance Sheet
17	Condensed Consolidated Statement of Changes in Equity
19	Condensed Consolidated Cash Flow Statement
20	Notes to the Condensed Financial Statements
41	Disclosure of Interests
47	Financial Assistance and Guarantees to Affiliated Companies
47	Purchase, Sale or Redemption of Listed Securities
48	Code on Corporate Governance Practices
48	Model Code for Securities Transactions
48	Disclosure of Changes in Directors' Information
50	Review by Audit Committee

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 2009 of the Company and its subsidiaries (the "Group").

The Group's unaudited profit attributable to owners of the Company for the six months ended 30 June 2009 amounted to HK\$1,690 million, as compared with a profit of HK\$84 million for the same period last year. Basic earnings per share were HK 75.0 cents (2008: HK 3.6 cents).

The profit attributable to owners of the Company for the period would be HK\$120 million, an increase of approximately 43% compared with the same period last year of HK\$84 million, after excluding the effect of attributable revaluation surplus (net of deferred tax) of HK\$890 million (2008: HK\$0.3 million) arising on investment properties held by the Group and a jointly controlled entity, and recognition of net gain on disposal of a subsidiary of HK\$680 million.

INTERIM DIVIDEND

The Board has declared an interim dividend of HK 3.8 cents per share (2008: nil) in respect of the six months ended 30 June 2009, payable on 21 October 2009 to shareholders of the Company whose names appear on the register of members of the Company on 7 October 2009.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 5 October 2009 to Wednesday, 7 October 2009, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrars, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 2 October 2009.

BUSINESS REVIEW

Property

The Group's property division recorded an operating profit of HK\$139 million (2008: HK\$121 million) during the period, representing a 15% growth as compared to the same period last year. This is primarily the result of profit contribution from the sales recognition of Nova City Phase 3 and Monmouth Place.

Nova City is one of the largest residential and retail developments in the popular Taipa community in Macau, and is wholly owned by the Group following a consolidation of development rights in December 2007. Phases 1 and 2 were completed and profits were recognised in 2006 and 2007 respectively. As of 30 June 2009, 88% of Phase 3 was sold while handover of units has been ongoing since December 2008. In a development which will enhance the environment and overall appeal of the Taipa community, the Macau SAR Government will commence construction of the Central Garden in Taipa in the third quarter of 2009. Phases 4 and 5, spanning 3.65 million square feet in gross floor area, are currently under planning, and include a large-scale lifestyle shopping centre in its master plan. An application for lease modification has been submitted for government approval.

One Central is the Group's 51% owned joint venture project with Hongkong Land Holdings Limited. Located on a prime site on the Macau NAPE waterfront with direct access to MGM Grand Macau, the luxury development comprises 1.6 million square feet of lakefront residential and serviced apartments, a 400,000 square feet upscale retail complex and a five-star, 213-room hotel to be managed by the Mandarin Oriental Group. Construction works for all residential towers and shopping mall are near completion, with occupation permit obtained in July 2009. Grand opening for the shopping mall is scheduled for December 2009 while serviced apartments and hotel are scheduled for completion in mid-2010. In June 2009, a cancellation agreement pertaining to an en bloc transaction of One Central Residences Tower 4 was concluded under mutually agreeable terms between the developer and the original purchaser. With positive outlook of the property market, the Group expects to generate attractive returns from the re-launch of the 68 units of Tower 4 in the future. As of 30 June 2009, the Group also shared a revaluation surplus on investment property under development in the result of a jointly controlled entity as required by amendments to accounting standards.

Harbour Mile is the Group's upcoming flagship project adjacent to the iconic Macau Tower, featuring 4.3 million square feet of developable gross floor area. This property will largely comprise residential apartments, complemented by commercial elements including retail developments, serviced apartments and hotels, to be introduced according to market demands. The project is currently under review by the Macau SAR Government as part of the overall master plan for the Nam Van lakefront area.

The Group now controls 100% interest in the Cotai project and is the sole developer of the site after completing an agreement with Sociedade de Turismo e Diversões de Macau, S.A. ("STDM") to purchase its 20% interest in the Cotai project in May 2008. The Group is in discussion with the Macau SAR Government on its plan to develop an ultra-luxurious hotel on the site. In December 2008, the Group signed a management agreement with the Jumeirah Group, a renowned luxury hotel management company and a member of Dubai Holding, to operate the proposed five-star deluxe property.

The Group holds a 79% interest in a columbarium project in Taipa. Foundation works are close to completion and superstructure work is expected to commence in the fourth quarter of 2009. Detailed design is currently in progress with project completion expected in 2010.

In Hong Kong, Radcliffe, a luxury residential development featuring ten exclusive 3,620 square feet duplex boutique apartments, was completed in the first half of 2007. Seven of the 10 duplex units were sold as of 30 June 2009.

Construction works for Chatham Garden Redevelopment Project commenced in December 2008, with completion of foundation works scheduled for September 2009. The luxury development is located in Central Kowloon in close proximity to the Tsim Sha Tsui district. It will consist of approximately 370,000 square feet of residential and retail space. The project is scheduled for completion in the first quarter of 2012. The Group holds a 51% interest in the project.

Monmouth Place is a residential apartment project in the mid-levels with a verdant surrounding. In an attempt to refocus sales and leasing efforts, the Group has started marketing all units held at the property since 1 November 2008. 15 units were sold as of June 2009, achieving satisfactory prices as a result of a recovery of consumer confidence in the housing market.

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 lettable area, is the largest shopping destination in the Western Mid-Levels. During 2008, its tenancy mix has been improved with the introduction of several new tenants and dining outlets, and as of 30 June 2009, the occupancy rate stood above 90%. Accessibility to The Westwood will be further enhanced when construction work of the MTR West Island Line is completed in 2014.

Liberté Place, the shopping podium of Liberté in West Kowloon, continues to maintain a high occupancy rate of over 90% due to its convenient location with direct access to and from neighboring residential developments. The footbridge connection with the neighboring Banyan Garden facilitates customer traffic between the two developments, providing improved convenience to shoppers and business for tenants. A further surge in traffic is expected when the entrance to the Lai Chi Kok MTR Station is completed in the second quarter of 2010.

In Guangzhou, the Shun Tak Business Centre, comprising a 32-storey office tower and a 6-storey shopping arcade, recorded satisfactory performance in leasing.

Property Services

Shun Tak Property Management Limited ("STPML"), the Group's subsidiary engaging in property management, provides integrated management solutions to a diversified range of residential, commercial and industrial properties. Its portfolio spans over 13 million square feet of property space in Hong Kong and Macau. STPML is the appointed Manager of One Central Residences, and had focused its efforts during the period on the property's pre-occupation arrangements. STPML received the Caring Company Award, and has won the Diamond Award for Highest Recyclables Quantity in the competition on separation of waste organized by the Environmental Protection Department, as well as a Merit Award in Horticultural Maintenance organized by the Leisure and Cultural Services Department.

ISS Macau Services Limited, in which the Group owns a 50% effective interest, provides a comprehensive range of cleaning services that enhances working and living environments to commercial and residential developments in public and private sectors in Macau.

The Group's subsidiary, Clean Living (Macau) Limited, provides professional laundry services to premier institutional clients in Macau. Its 30,000-square-foot plant is designed for high-quality services pledge and targets to compete in the professional laundry segment in Macau, including prominent Macau hotels. With the properties added to its management portfolio and complementary initiatives in property, cleaning, and laundry services, the division anticipates stable and further revenue growth in the future.

Transportation

Challenged by a multitude of exogenous factors including the global recession, visa restrictions on Mainland travelers, stiff competition, and compounded by a widespread outbreak of swine flu pandemic, the transportation industry operated under immense pressure during the first half of 2009. During the period, the Group's transportation division recorded an operating loss of HK\$14 million as compared to a loss of HK\$47 million for the same period last year.

During this period, TurboJET's Hong Kong-Macau route, which contributed 89% of its total revenue, experienced a 24% decline in passenger volume mainly due to the substantial drop in number of passengers leveraging on the individual traveler scheme. In spite of dampened demand, the reduction in operating losses for the period was attributable to declining oil prices and the Company's focused efforts in cost reduction and fleet optimization initiatives. Measures to manage capital expenditures and operating expenses were implemented, including a review of staff costs, sailing reductions, more flexible deployment of vessels, lay-up of spare vessels, and cooperative arrangements with PRC ferry operators to generate savings in operational costs.

As part of the Group's commitment in solidifying its vision of forging an inter-modal transportation network in the Pearl River Delta, it has prioritized the deployment of its resources on routes with sustainable development potential. Two routes connecting Shenzhen were suspended in April 2009. On the other hand, a new route between Nansha and the Hong Kong International Airport, operated by Panyu Nansha Port Passenger Transport Co., Ltd., was launched in June 2009, following the cooperative model adopted for the Shekou – Macau route launched in 2007 in association with Shenzhen Xunlong Shipping Co., Limited. In June 2009, TurboJET and Zhuhai High-Speed Passenger Ferry Co., Limited signed a memorandum of understanding to cooperate in the development of ferry services between Zhuhai and Macau. The Group will continue to explore diversification opportunities with Mainland ferry operators as part of its future development blueprint.

The permanent SkyPier within the Hong Kong International Airport, which offers upgraded facilities and capacity for multimodal transit passengers, is scheduled for completion by the end of 2009. The Group's joint venture, Hong Kong International Airport Ferry Terminal Services Limited, will continue to be the appointed manager of the facility and multimodal ferry services.

In March 2009, TurboJET launched the first Premier Jetfoil, a newly refurbished vessel that offers luxuriously appointed cabins and top-class onboard meals and services, designed to harness potential from business travelers, discerning passengers and charter groups.

Earlier this year, TurboJET clinched two major industrial awards, the "Hong Kong Top Service Brand Award" co-organized by Hong Kong Brand Development Council and The Chinese Manufacturers' Association of Hong Kong, as well as the "Hong Kong Award for Industry: Productivity and Quality Certificate of Merit" from the Hong Kong Productivity Council.

On land, Shun Tak & CITS Coach (Macao) Limited offers coach rental service within Macau and cross-boundary routes serving several major cities in the region. Its operating fleet has expanded to 73 vehicles, and registered HK\$38 million in revenue for the first half of 2009.

Hospitality

Highly sensitive to the economic climate, the tourism industry continues to be overshadowed by a general lack of consumer confidence as a result of the recession. Visa restrictions imposed on Mainland travelers, as well as the recent swine flu pandemic, drove down visitor arrivals to Macau by 11% between January to May 2009 as compared with the same period last year. Under such adverse operating environment, the hospitality division reported a loss of HK\$34 million. However, the Group recorded an exceptional profit of HK\$680 million upon the disposal of the Mandarin Oriental Hotel in Macau (currently re-branded as the Grand Lapa Hotel) during the period. The consideration received for the disposal was partly set off by the consideration paid for the off-market repurchase of the Company's ordinary shares from STDM and its subsidiary.

In June 2009, the Group has concluded the disposal of its 50% equity interest in the Mandarin Oriental Hotel to STDM at a consideration of HK\$722 million, with the right to participate in any increase in the hotel site's value in the future if it is to be redeveloped or resold to a third party. The Group's other investments, the Westin Hotel and the adjacent Macau Golf and Country Club, both recorded a decline in revenue, in line with the rest of the tourism market.

Macau Tower remains an iconic landmark and a major tourist attraction in Macau. It continues to be the preferred venue for high-profile government events such as the Annual Marketing Press Conference of Macau Government Tourism Office and the Liaison Office Spring Dinner Cocktail. Macau Tower AJ Hackett ("AJHMT") adventures remain widely popular amongst tourists with its world's highest Bungy jump and Skyjump. AJHMT's sales amounted to HK\$10 million, achieving a 33% increase year-on-year. Novel attractions for families, including Ice-Cream Wonderland on the Observation Deck, as well as Singing Bean Coffee, newly opened at the ground level which offers alfresco seating and a more extended menu, are expected to enhance the appeal of the destination.

In Hong Kong, SkyCity Marriott Hotel, a 658-room facility formally opened on 22 January 2009, is located within SkyCity with direct access to AsiaWorld-Expo and minutes away from the Hong Kong International Airport and SkyPier. The project, in which the Group owns a 70% interest, is a joint venture development with Dragages Hong Kong Limited. Occupancy has been low in part exacerbated by the pinch on Mainland tour group volume and an outbreak of swine flu in May 2009. The hotel has experienced a growth in airline crew business and the tour group segment appears to be rebounding.

The newly structured hospitality services division targets to provide total travel and MICE solutions to individual travelers and corporate clients. In April 2009, it obtained a full MICE license in China, paving its way to capture opportunities arising out of the variety of mega events in different Mainland regions, including the Shanghai Expo in 2010. It has successfully organized the first biggest outbound consumer fair – Macau Dynamic Week Shanghai, as well as the Guangdong & Macao Branded Products Fair. New destinations such as Suzhou and Shanghai are explored with the support from various tourism bureaus, such as the Macau Government Tourist Office and the Suzhou Municipal Tourism Administration, in promoting tourism of these regions.

Investment

Profit of the investment division amounted to HK\$26 million (2008: HK\$96 million) for the period. The Group owns an effective interest in STDM of approximately 11.5%. In the first half of 2009, the Group recognised HK\$30 million from ordinary dividends declared by STDM.

On 16 July 2008, SJM Holdings Limited, the holding company of Sociedade de Jogos de Macau, S.A. ("SJM"), was listed on the Main Board of The Stock Exchange of Hong Kong Limited. As a result, STDM's effective shareholding in SJM, one of the six gaming concessionaires and sub-concessionaires licensed by the Macau SAR Government to operate casinos, decreased from approximately 80% to 61%.

In addition to its gaming activities, STDM holds interests in several hotels in Macau, the Macau International Airport and Air Macau Company Limited, the enclave's flagship carrier. STDM is also active in major property development and infrastructure projects, including Macau Tower, for which the Group has held an operational and property management agreement since its opening in 2001.

In June 2009, the repurchase of 263,667,107 shares held by STDM and its subsidiary at a price of HK\$2.20 per share was completed and the repurchased shares were cancelled accordingly.

PROSPECTS AND RECENT DEVELOPMENTS

Despite the many challenges faced amidst the global economic downturn, the Group expects to emerge with satisfactory results at the end of the year given positive signs of recovery in consumer confidence and operating environment.

One Central will be the primary focus for the property division, with the handover of residential units at One Central Residences commencing in the third quarter of 2009 and the retail portion due for opening in early December 2009. A re-launch of One Central Residences Tower 4 is also expected to take place in the near future subject to market performance. The Group remains confident in the medium and long term outlook of the Macau property market.

With the impact of the swine flu pandemic subsiding, the transportation and hospitality divisions recorded a strong rebound in visitor volume and related revenue over the summer months. As 2009 marks the 60th Anniversary of The People's Republic of China and the 10th Anniversary of Macau SAR, tourism businesses, including banquet sales, are expected to recover dramatically in the later half of the year, benefiting from the myriad of celebrations scheduled for the occasions. Following the acquisition of a full MICE license in China, the hospitality services division seeks to aggressively harness the vast potentials of the Mainland event market, taking advantage of opportunities created by the Shanghai Expo in 2010.

The transportation division will continue to forge its vision of an integrated multimodal network within the Pearl River Delta via partnerships with Mainland ferry operators to expand route connectivity on fast-growing ports and destinations. With the completion of the new SkyPier by the end of this year, TurboJET Airport Routes will be able to benefit from the enhanced facilities, promoting new demand for the service. A second Premier Jetfoil will start service within the year following the successful launch of the luxury brand. The Premier Jetfoil is well received by the trade and charter groups, fulfilling the needs of a niche segment of the market that seeks discerning products and services.

By building on its core pillars of sustainable business operations and maintaining a strong financial position, the Group is laying the foundation for future growth and better value for shareholders.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's bank balances and deposits amounted to HK\$2,845 million at 30 June 2009, representing an increase of HK\$108 million as compared with the position as at 31 December 2008. It is the Group's policy to secure adequate funding to match with cash flows required for working capital and investing activities. Total loan facilities available to the Group as of 30 June 2009 amounted to HK\$11,327 million, of which HK\$4,498 million remained undrawn. The loan facilities outstanding at the period end amounted to HK\$6,829 million. The maturity profile of the Group's borrowings as at 30 June 2009 is set out below:

Maturity Profile

Within 1 year	1-2 years	2-5 years	over 5 years	Total
33%	37%	30%	—	100%

Based on a net borrowings of HK\$3,984 million at the period end, the Group's gearing ratio (expressed as a ratio of net borrowings to equity attributable to owners of the Company) was 30.9% (at 31 December 2008: 38.1%). The Group will continue with its financial strategy of maintaining a healthy gearing ratio and consider steps to reduce its finance costs.

During the period, 30,436,610 new shares were issued upon exercise of share options granted by the Company and 263,667,107 shares were repurchased and cancelled. The Company incurred approximately HK\$589 million for the said repurchase. At 30 June 2009, the Group had commitment of HK\$482 million to finance a joint venture project with Hongkong Land Holdings Limited to develop One Central in Macau. 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.

MATERIAL DISPOSAL

On 15 June 2009, the Group completed the disposal of Skamby Limited, a wholly-owned subsidiary of the Group, at a gross consideration of approximately HK\$722 million pursuant to an agreement dated 20 January 2009 with Current Time Limited, a wholly-owned subsidiary of STDM. Accordingly, the Group recognised a gain on disposal of approximately HK\$680 million.

PLEDGE OF ASSETS

At the period end, certain assets of the Group with an aggregate carrying value of HK\$1,250 million (at 31 December 2008: HK\$1,368 million) were pledged with banks for loan facilities.

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. 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 97% 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 2,780 employees at the period end. The Group adopts a competitive remuneration package for its employees. Promotion and salary increments are assessed based on performance. Social activities are organised to foster team spirit amongst staff. Staff are also encouraged to attend training classes that are related to the Group's businesses.

Condensed Consolidated Income Statement

For the six months ended 30 June

13

	Note	(Unaudited) 2009 (HK\$'000)	(Unaudited and restated) 2008 (HK\$'000)
Turnover	3	1,659,410	1,811,161
Other revenues		34,503	70,496
		1,693,913	1,881,657
Other net income	4	676,509	19,630
Cost of inventories sold or consumed		(686,730)	(827,614)
Staff costs		(351,337)	(340,343)
Depreciation and amortisation		(106,547)	(75,460)
Other costs		(482,245)	(497,507)
Fair value changes on investment properties		92,932	9,850
Operating profit	3, 5	836,495	170,213
Finance costs	6	(36,408)	(74,455)
Share of results of associates		21,168	20,378
Share of results of jointly controlled entities		928,951	14,939
Profit before taxation		1,750,206	131,075
Taxation	7	(41,641)	(9,753)
Profit after taxation		1,708,565	121,322
Attributable to:			
Owners of the Company		1,690,485	84,103
Minority interests		18,080	37,219
		1,708,565	121,322
Earnings per share (HK cents) 9			
– basic		75.0	3.6
– diluted		74.9	3.5

Details of interim dividend to shareholders of the Company are set out in note 8.

Condensed Consolidated Statement of Comprehensive Income

14

For the six months ended 30 June

	(Unaudited) 2009 (HK\$'000)	(Unaudited) 2008 (HK\$'000)
Profit for the period	1,708,565	121,322
Other comprehensive income		
Available-for-sale financial assets:		
Change in fair value	43,368	(93,414)
Reclassification adjustment for gains included in profit or loss	—	(16,532)
Cash flow hedges:		
Change in fair value	16,748	15,477
Deferred tax	(2,763)	(2,250)
Reclassification adjustment for losses/ (gains) included in profit or loss	50,164	(21,556)
Deferred tax	(8,277)	3,557
Properties:		
Write-down of inventories of properties	(107,478)	—
Deferred tax	12,897	—
Reclassification adjustment for gains included in profit or loss upon sales of properties	(94,295)	(73,207)
Deferred tax	10,998	8,453
Exchange differences on translation of financial statements of foreign operations	(113)	24,154
Other comprehensive income for the period, net of tax	(78,751)	(155,318)
Total comprehensive income for the period	1,629,814	(33,996)
Attributable to:		
Owners of the Company	1,579,709	(77,950)
Minority interests	50,105	43,954
	1,629,814	(33,996)

Condensed Consolidated Balance Sheet

	Note	(Unaudited) 30 June 2009 (HK\$'000)	(Audited) 31 December 2008 (HK\$'000)
Non-current assets			
Property, plant and equipment	10	1,986,715	2,031,911
Investment properties	11	3,256,906	3,164,103
Leasehold land		1,266,074	1,281,418
Associates		179,627	220,347
Jointly controlled entities		1,864,384	957,352
Intangible assets		365,947	363,393
Available-for-sale investments	12	1,046,135	999,394
Mortgage loans receivable		16,353	22,972
Deferred tax assets		45,553	57,252
Other non-current assets		1,452,304	822,079
		11,479,998	9,920,221
Current assets			
Properties for or under development		8,112,932	8,067,373
Inventories		1,271,225	1,969,719
Trade receivables, other receivables and deposits paid	13	1,181,436	1,857,991
Available-for-sale investments		14	14
Derivative financial instruments		—	242
Taxation recoverable		5,738	9,362
Bank deposits, cash and bank balances		2,845,289	2,736,636
		13,416,634	14,641,337
Current liabilities			
Bank borrowings		2,253,800	1,994,000
Trade and other payables	13	649,368	816,312
Deposits received on sale of properties		148,315	269,466
Derivative financial instruments		30,163	97,075
Provision for employee benefits		25,473	28,948
Taxation payable		221,667	185,903
		3,328,786	3,391,704
Net current assets		10,087,848	11,249,633

Condensed Consolidated Balance Sheet

16

	Note	(Unaudited) 30 June 2009 (HK\$'000)	(Audited) 31 December 2008 (HK\$'000)
Total assets less current liabilities		21,567,846	21,169,854
Non-current liabilities			
Bank borrowings		4,575,200	5,244,000
Deferred tax liabilities		1,003,634	1,048,555
Loans from minority shareholders		852,509	847,743
		6,431,343	7,140,298
Net assets		15,136,503	14,029,556
Equity			
Share capital	14	505,928	564,235
Reserves		12,290,237	11,222,649
Proposed dividends		76,901	29,340
Equity attributable to owners of the Company		12,873,066	11,816,224
Minority interests		2,263,437	2,213,332
Total equity		15,136,503	14,029,556

Condensed Consolidated Statement of Changes in Equity

17

For the six months ended 30 June 2009 (unaudited)

	Equity attributable to owners of the Company														
	Share capital (HK\$'000)	Share premium (HK\$'000)	Capital redemption reserve (HK\$'000)	Capital reserve (HK\$'000)	Investment revaluation reserve (HK\$'000)	Hedging reserve (HK\$'000)	Asset revaluation reserve (HK\$'000)	Legal reserve (HK\$'000)	(Note) Special reserve (HK\$'000)	Exchange reserve (HK\$'000)	Retained profits (HK\$'000)	Proposed dividends (HK\$'000)	Total (HK\$'000)	Minority interests (HK\$'000)	Total equity (HK\$'000)
At 1 January 2009	564,235	6,802,141	34,254	5	(20,770)	(34,531)	1,404,192	11,862	(151,413)	39,089	3,137,820	29,340	11,816,224	2,213,332	14,029,556
Exercise of share options	7,609	88,426	—	—	—	—	—	—	—	—	—	—	96,035	—	96,035
Expenses on issue of shares	—	(66)	—	—	—	—	—	—	—	—	—	—	(66)	—	(66)
Repurchase of shares	(65,916)	—	65,916	—	—	—	—	—	—	—	(580,068)	—	(580,068)	—	(580,068)
Expenses on repurchase of shares	—	—	—	—	—	—	—	—	—	—	(9,175)	—	(9,175)	—	(9,175)
2008 final dividend for shares issued upon exercise of share options	—	—	—	—	—	—	—	—	—	—	(261)	261	—	—	—
2008 final dividend paid	—	—	—	—	—	—	—	—	—	—	—	(29,601)	(29,601)	—	(29,601)
2009 interim dividend	—	—	—	—	—	—	—	—	—	—	(76,901)	76,901	—	—	—
Total comprehensive income for the period	—	—	—	—	43,368	23,802	(177,878)	—	—	(68)	1,690,485	—	1,579,709	50,105	1,629,814
Transfer of reserve	—	—	—	—	—	—	—	(4,854)	—	—	4,854	—	—	—	—
Share of reserve of associate	—	—	—	8	—	—	—	—	—	—	—	—	8	—	8
	(58,307)	88,360	65,916	8	43,368	23,802	(177,878)	(4,854)	—	(68)	1,028,934	47,561	1,056,842	50,105	1,106,947
At 30 June 2009	505,928	6,890,501	100,170	13	22,598	(10,729)	1,226,314	7,008	(151,413)	39,021	4,166,754	76,901	12,873,066	2,263,437	15,136,503

Condensed Consolidated Statement of Changes in Equity

18

For the six months ended 30 June 2008 (unaudited)

	Equity attributable to owners of the Company										Total equity (HK\$'000)				
	Share capital (HK\$'000)	Share premium (HK\$'000)	Capital redemption reserve (HK\$'000)	Capital reserve (HK\$'000)	Investment revaluation reserve (HK\$'000)	Hedging reserve (HK\$'000)	Asset revaluation reserve (HK\$'000)	Legal reserve (HK\$'000)	(Note) Special reserve (HK\$'000)	Exchange reserve (HK\$'000)		Retained profits (HK\$'000)	Proposed dividends (HK\$'000)	Total (HK\$'000)	Minority interests (HK\$'000)
At 1 January 2008	582,077	6,735,345	7,920	5	371,162	10,656	1,740,674	11,141	-	27,353	3,388,100	164,072	13,088,505	2,344,625	15,383,130
Exercise of share options	3,992	14,653	-	-	-	-	-	-	-	-	-	-	18,645	-	18,645
Expenses on issue of shares	-	(19)	-	-	-	-	-	-	-	-	-	-	(19)	-	(19)
Repurchase of shares	(609)	-	609	-	-	-	-	-	-	-	(19,705)	-	(19,705)	-	(19,705)
Expenses on repurchase of shares	-	-	-	-	-	-	-	-	-	-	(68)	-	(68)	-	(68)
Absorption of losses applicable to a minority shareholder for disposal of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	34	34
Acquisition of additional interest in a subsidiary from a minority shareholder	-	-	-	-	-	-	-	-	(151,413)	-	-	-	(151,413)	13,393	(138,020)
Dividends to minority shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	(23,490)	(23,490)
2007 final dividend for shares repurchased	-	-	-	-	-	-	-	-	-	-	30	(30)	-	-	-
2007 final dividend	-	-	-	-	-	-	-	-	-	-	-	(164,042)	(164,042)	-	(164,042)
Total comprehensive income for the period	-	-	-	-	(109,946)	(2,033)	(64,754)	-	-	14,680	84,103	-	(77,950)	43,954	(33,996)
Share of reserve of associate	-	-	-	-	-	-	(338)	-	-	-	338	-	-	-	-
At 30 June 2008	3,383	14,634	609	-	(109,946)	(2,033)	(64,754)	(338)	(151,413)	14,680	64,688	(164,072)	(394,552)	33,891	(360,661)
	585,460	6,749,979	8,529	5	261,216	8,623	1,675,920	10,803	(151,413)	42,033	3,452,798	-	12,643,953	2,378,516	15,022,469

Note: Special reserve represents the difference between the fair value and the carrying amount of the underlying assets and liabilities attributable to the additional interest in a subsidiary being acquired from a minority shareholder during the six months ended 30 June 2008.

Condensed Consolidated Cash Flow Statement

For the six months ended 30 June

19

	(Unaudited) 2009 (HK\$'000)	(Unaudited) 2008 (HK\$'000)
Net cash from operating activities	970,307	164,372
Net cash used in investing activities	(439,931)	(217,783)
Net cash used in financing activities	(421,705)	(464,557)
Net increase/(decrease) in cash and cash equivalents	108,671	(517,968)
Effect of foreign exchange rates changes	(18)	2,380
Cash and cash equivalents at 1 January	2,736,650	3,585,416
Cash and cash equivalents at 30 June	2,845,303	3,069,828
Analysis of cash and cash equivalents		
Investment funds (classified as available-for-sale investments)	14	46,328
Bank deposits, cash and bank balances	2,845,289	3,023,500
	2,845,303	3,069,828

NOTE 1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in compliance with Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The accounting policies and methods of computation adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2008 except as described in note 2 below.

NOTE 2 IMPACT OF NEW OR REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new or revised Hong Kong Financial Reporting Standards ("HKFRSs") that are relevant to its operations and first effective for the Group's current accounting period:

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKFRS 2 (Amendment)	Share-based Payment <ul style="list-style-type: none"> - vesting conditions and cancellations
HKFRS 7 (Amendments)	Financial Instruments: Disclosures <ul style="list-style-type: none"> - improving disclosures about financial instruments
HKFRS 8	Operating Segments
HK(IFRIC)-Int 13	Customer Loyalty Programmes
Improvements to HKFRSs	

HKAS 1 (Revised) Presentation of Financial Statements

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income. It presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Group has elected to present two statements.

NOTE 2 IMPACT OF NEW OR REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

HKFRS 8 Operating Segments

HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision-makers in order to allocate resources to the segment and to assess its performance. As the business segments previously identified and reported by the Group in accordance with the requirements of HKAS 14 are the same as the operating segments provided to chief operating decision-makers as required by HKFRS 8, there are no changes to the operating segments and the results of operating segments on the adoption of HKFRS 8. Additional disclosures about each of these segments are shown in note 3.

Improvements to HKFRSs

Improvements to HKFRSs comprise a number of minor and non-urgent amendments to a range of HKFRSs which the HKICPA has issued as an omnibus batch of amendments. Of there, the following two amendments have resulted in changes to the Group's accounting policies:

- (a) As a result of amendments to HKAS 28, Investments in associates, impairment losses recognised in respect of the associates and jointly controlled entities carried under the equity method are no longer allocated to the goodwill inherent in that carrying value. As a result, when there has been a favourable change in the estimates used to determine the recoverable amount, the impairment loss will be reversed. Previously, the Group allocated impairment losses to goodwill and, in accordance with the accounting policy for goodwill, did not consider the losses to be reversible. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any impairment losses that arise in the current or future periods and previous periods have not been restated.

NOTE 2 IMPACT OF NEW OR REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

Improvements to HKFRSs (Continued)

- (b) Prior to the application of amendments to HKAS 40, Investment property, investment property under development was carried at cost until the construction was completed, at which time it was fair valued. As a result of the amendments, such property will be carried at fair value at the earlier of when the fair value first becomes reliably measurable and the date of completion of the property. Any gain or loss will be recognised in profit or loss, consistent with the policy adopted for all other investment properties carried at fair value. Those amendments will be applied prospectively. Following the amendments, investment property under development of a jointly controlled entity is classified as investment property and stated at fair value. The Group shared the fair value gain of such investment property amounting to HK\$830 million (net of deferred tax) in the condensed consolidated income statement for the six months ended 30 June 2009.

The amendments to HKAS 23 and HKFRS 2 and HK(IFRIC)-Int 13 have no material impact on the condensed consolidated interim financial statements. In addition, the amendments to HKFRS 7 do not contain any additional disclosure requirements specifically applicable to the condensed consolidated interim financial statements.

NOTE 3 SEGMENT INFORMATION

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

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

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
Investment	- investment holding and others

The Group's measurement methods used to determine reported segment profit or loss remain unchanged from 2008.

NOTE 3 SEGMENT INFORMATION (Continued)

	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 2009						
Turnover and revenue						
External turnover	720,344	710,086	189,175	39,805	—	1,659,410
Inter-segment turnover	1,510	87,621	14,110	—	(103,241)	—
Other revenues	13,586	15,350	916	236	—	30,088
	735,440	813,057	204,201	40,041	(103,241)	1,689,498
Segment results	138,857	(14,083)	(34,457)	25,775	—	116,092
Fair value changes on investment properties	92,932	—	—	—	—	92,932
Gain on disposal of a subsidiary	—	—	679,609	—	—	679,609
Interest income						4,415
Unallocated net expenses						(56,553)
Operating profit						836,495
Finance costs						(36,408)
Share of results of associates	(16)	—	19,922	1,262	—	21,168
Share of results of jointly controlled entities	921,267	6,003	1,681	—	—	928,951
Profit before taxation						1,750,206
Taxation						(41,641)
Profit after taxation						1,708,565

NOTE 3 SEGMENT INFORMATION (Continued)

	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 2008 (restated)						
Turnover and revenue						
External turnover	560,942	985,327	170,031	94,861	–	1,811,161
Inter-segment turnover	1,646	91,865	18,390	–	(111,901)	–
Other revenues	6,886	24,740	119	4,170	–	35,915
	569,474	1,101,932	188,540	99,031	(111,901)	1,847,076
Segment results	120,761	(47,280)	20,453	95,965	–	189,899
Fair value changes on investment properties	9,850	–	–	–	–	9,850
Interest income						34,581
Unallocated net expenses						(64,117)
Operating profit						170,213
Finance costs						(74,455)
Share of results of associates	36	6,506	12,344	1,492	–	20,378
Share of results of jointly controlled entities	3,095	6,866	4,978	–	–	14,939
Profit before taxation						131,075
Taxation						(9,753)
Profit after taxation						121,322

NOTE 4 OTHER NET INCOME

For the six months ended 30 June

	2009 (HK\$'000)	2008 (HK\$'000)
Net gain on disposal of a subsidiary (note 16)	679,609	–
Net loss on disposal of property, plant and equipment	(3,251)	(770)
Net loss on financial assets designated as at fair value through profit or loss	(495)	(1,540)
Net gain on derivative financial instruments	73	2,620
Net gain/(loss) on available-for-sale investments		
– listed investments	—	16,407
– unlisted investments	—	(33)
Others	573	2,946
	676,509	19,630

NOTE 5 OPERATING PROFIT

For the six months ended 30 June

	2009 (HK\$'000)	(Restated) 2008 (HK\$'000)
After crediting:		
Interest income	5,146	35,786
Rental income from investment properties	72,246	73,716
Dividend income from listed investments	2,312	8,288
Dividend income from unlisted investments	30,381	78,829
After charging:		
Cost of inventories		
– properties	454,046	336,910
– fuel	202,831	459,450
– others	29,853	31,254
	686,730	827,614
Write-down of inventories	49,404	–

NOTE 6 FINANCE COSTS

For the six months ended 30 June

	2009 (HK\$'000)	2008 (HK\$'000)
Total finance costs incurred	42,889	86,416
Less: Amount capitalised in properties under development	(6,481)	(11,961)
Total finance costs expensed during the period	36,408	74,455

NOTE 7 TAXATION

For the six months ended 30 June

	2009 (HK\$'000)	2008 (HK\$'000)
Hong Kong profits tax	15,383	17,114
Overseas tax	46,610	32,292
Deferred tax	(20,352)	(39,653)
	41,641	9,753

Hong Kong profits tax is provided for at the rate of 16.5% (2008: 16.5%) on the estimated assessable profits for the period. Overseas taxation is calculated at the rates applicable in their respective jurisdictions.

Deferred tax has been provided for temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits.

NOTE 8 INTERIM DIVIDEND

For the six months ended 30 June

	2009 (HK\$'000)	2008 (HK\$'000)
Interim dividend of HK 3.8 cents per share (2008: nil)	76,901	—

NOTE 9 EARNINGS PER SHARE

The calculation of basic earnings per share is based on profit attributable to owners of the Company of HK\$1,690,485,000 (2008: HK\$84,103,000) and the weighted average number of 2,254,852,682 shares (2008: 2,336,462,248 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\$1,690,485,000 (2008: HK\$84,103,000) and the weighted average number of 2,257,534,790 shares (2008: 2,410,122,295 shares) in issue after adjusting for the effects of all dilutive potential ordinary shares.

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

For the six months ended 30 June

	Profit attributable to owners of the Company		Weighted average number of shares	
	2009 (HK\$'000)	2008 (HK\$'000)	2009	2008
Profit/number of shares for the purpose of basic earnings per share	1,690,485	84,103	2,254,852,682	2,336,462,248
Effect of dilutive potential ordinary shares – share options	—	—	2,682,108	73,660,047
Profit/number of shares for the purpose of diluted earnings per share	1,690,485	84,103	2,257,534,790	2,410,122,295

NOTE 10 PROPERTY, PLANT AND EQUIPMENT

During the period, additions to property, plant and equipment mainly comprised properties under development, furniture, fixtures and equipment of HK\$57,850,000 (2008: HK\$276,647,000) and net book value of property, plant and equipment disposed of amounted to HK\$3,457,000 (2008: HK\$830,000).

NOTE 11 INVESTMENT PROPERTIES

A revaluation of all investment properties was performed at 30 June 2009 by reference to sales evidence as available on the market and where appropriate on the basis of capitalisation of net income. The revaluation was conducted by Savills Valuation and Professional Services Limited, an independent firm of professional valuers, which has among its staff members of the Hong Kong Institute of Surveyors.

NOTE 12 AVAILABLE-FOR-SALE INVESTMENTS

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

NOTE 13 TRADE RECEIVABLES AND PAYABLES – AGEING ANALYSIS

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

	30 June 2009 (HK\$'000)	31 December 2008 (HK\$'000)
0 – 30 days	91,178	690,405
31 – 60 days	17,856	23,374
61 – 90 days	4,483	7,851
over 90 days	41,535	21,475
	155,052	743,105

The ageing analysis of trade creditors is as follows:

	30 June 2009 (HK\$'000)	31 December 2008 (HK\$'000)
0 – 30 days	263,715	359,555
31 – 60 days	5,560	6,113
61 – 90 days	2,512	1,513
over 90 days	3,137	3,522
	274,924	370,703

NOTE 14 SHARE CAPITAL

	30 June 2009		31 December 2008	
	Number of shares	(HK\$'000)	Number of shares	(HK\$'000)
Authorised				
Ordinary shares of HK\$0.25 each				
At beginning and end of the period	4,000,000,000	1,000,000	4,000,000,000	1,000,000
Issued and fully paid				
Ordinary shares of HK\$0.25 each				
At beginning of the period	2,256,941,300	564,235	2,328,309,734	582,077
Exercise of share options	30,436,610	7,609	33,969,566	8,492
Repurchase of shares	(263,667,107)	(65,916)	(105,338,000)	(26,334)
At end of the period	2,023,710,803	505,928	2,256,941,300	564,235

During the period, share options were exercised to subscribe for 30,436,610 ordinary shares of the Company at total consideration of HK\$96,035,000 of which HK\$7,609,000 was credited to the share capital and the balance of HK\$88,426,000 was credited to the share premium.

By a special resolution dated 26 May 2009, 263,667,107 ordinary shares of the Company of HK\$0.25 each were repurchased from STDM and its subsidiary at a repurchase price of HK\$2.20 (totalling HK\$580,068,000) each in an off-market manner pursuant to repurchase agreement dated 15 June 2009.

The parties to the repurchase agreement had agreed that the consideration paid for 263,667,107 repurchased shares was set off against part of the consideration receivable for the disposal of a subsidiary (note 16).

The repurchased shares were cancelled and accordingly the issued share capital of the Company was reduced by the nominal value of these shares. Pursuant to Section 49H of the Hong Kong Companies Ordinance, an amount equivalent to the par value of the shares cancelled of HK\$65,916,000 was transferred from retained profits to capital redemption reserve. The premium and expenses paid on the repurchase of the shares of HK\$523,327,000 was charged to retained profits.

NOTE 15 PLEDGE OF ASSETS

At 30 June 2009, certain assets of the Group with an aggregate carrying value of HK\$1,250,113,000 (at 31 December 2008: HK\$1,367,703,000) were pledged to secure bank loan facilities.

NOTE 16 DISPOSAL OF INTEREST IN A SUBSIDIARY

On 20 January 2009, Florinda Hotel Investment Limited ("FHIL"), a wholly-owned subsidiary of the Company entered into a conditional agreement with Current Time Limited ("CTL"), a wholly-owned subsidiary of STDM for the disposal of its entire equity interest in and loan to Skamby Limited ("Skamby"), a wholly-owned subsidiary of FHIL. The principal asset of Skamby is 50% equity interest in Excelsior-Hoteis e Investimentos, Limitada ("EHIL") which owns Mandarin Oriental Macau (the "Hotel"), together with the piece of land on which the Hotel is erected. The disposal was completed on 15 June 2009. The Group recognises a gain on disposal of approximately HK\$680 million being the amount by which the net consideration of approximately HK\$720 million exceeds the carrying value of the Group's interest in Skamby (including its 50% interest in EHIL) of approximately HK\$40 million.

The consideration received for the disposal was partly set off by the consideration paid for the off-market share repurchase (note 14).

The consideration is subject to adjustment in accordance with the Post-Disposal Appreciation as described in the Company's circular dated 24 April 2009.

NOTE 17 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

For the six months ended 30 June

	Note	2009 (HK\$'000)	2008 (HK\$'000)
STDM Group	(i)		
Dividend income from STDM		30,381	78,311
Ferry tickets sold (after discount) to STDM Group		87,181	153,782
Commission paid to STDM Group on ferry tickets sold by STDM Group		8,695	10,760
Fees received from STDM for management of hotels and Macau Tower Convention & Entertainment Centre		15,584	15,632
Fuel purchased from STDM Group for Macau shipping operations		111,913	242,578
Amount collected by STDM Group for sale of ferry tickets and related services in Macau		214,179	235,815
Amount reimbursed to STDM Group for expenses incurred in respect of shipping operations in Macau		65,741	79,413
Amount reimbursed by STDM Group for staff expenses and administrative resources shared		14,486	20,033
Revenue of duty free goods sold on board collected for STDM		6,949	6,364
Disposal of 100% equity interest in Skamby and related shareholder's loan to STDM Group	(ii)	722,168	—
Off-market share repurchase of the Company's shares held by STDM Group	(iii)	580,068	—

NOTE 17 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

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

For the six months ended 30 June

	Note	2009 (HK\$'000)	2008 (HK\$'000)
Associates			
Insurance premium paid to an associate		20,480	18,177
Jointly controlled entities			
Ferry passengers handling fees received on behalf of a jointly controlled entity		17,744	24,926
Key management personnel			
Ferry tickets sold (after discount) to a jointly controlled entity of New World Development Company Limited ("NWD")	(iv)	17,297	18,508
Amount collected on behalf of a jointly controlled entity of NWD for sale of ferry tickets	(iv)	7,460	11,261
Ferry tickets sold (after discount) to MGM Grand Paradise Limited ("MGM")	(v)	15,951	5,170
Fees received from MGM for laundry, decoration, travel and other services rendered	(v)	5,381	13,831
Directors' emoluments			
Salaries and other short-term employee benefits		14,276	12,861
Post-employment benefits		499	584
Gratuity payment to past directors		6,986	—

NOTE 17 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

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

For the six months ended 30 June

	Note	2009 (HK\$'000)	2008 (HK\$'000)
Other related parties			
Commission paid to China Travel Service (Hong Kong) Limited ("CTSHK") for sale of ferry tickets (vi)		13,099	18,390
Net income collected by CTSHK for sale of ferry tickets and related services (vi)		62,303	93,735

NOTE 17 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

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

	Note	30 June 2009 (HK\$'000)	31 December 2008 (HK\$'000)
STDM Group	(i)		
Net receivable from STDM Group	(vii)	3,144	36,569
Jointly controlled entities			
Amounts due by jointly controlled entities	(viii)	1,409,167	774,863
Construction costs payable to a jointly controlled entity		67,811	35,685
Key management personnel			
Minority shareholder's loan from NWD to a subsidiary	(ix)	123,917	123,917
Minority shareholder's loan from a company beneficially owned by Dr. Stanley Ho to a subsidiary	(x)	91,707	91,707
Refundable deposit paid by a subsidiary to Sai Wu Investimento Limitada ("Sai Wu")	(xi)	500,000	500,000
Other related parties			
Minority shareholder's loan from Dragages Investments Limited ("DI") to a subsidiary	(xii)	123,750	120,000
Minority shareholder's loan from Sun Hung Kai Properties Limited ("SHK") to a subsidiary	(ix)	359,359	359,359
Accounts receivable from CTSHK	(vi)	8,156	7,943
Design and construction fee payable to DHK	(xii)	1,986	51,906

NOTE 17 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)*Notes:*

- (i) Dr. Stanley Ho, Dato' Dr. Cheng Yu Tung, Mrs. Louise Mok, Ms. Pansy Ho and Mr. David Shum, Directors of the Company, have beneficial interests in STDM. Dr. Stanley Ho, Mrs. Louise Mok, Ms. Pansy Ho and Ms. Daisy Ho (as appointed representative of the Company) are directors of STDM.
- (ii) On 20 January 2009, FHIL, a wholly-owned subsidiary of the Company entered into a conditional agreement with CTL, a wholly-owned subsidiary of STDM for the disposal of FHIL's entire equity interest in and loan to a wholly-owned subsidiary, Skamby, which holds 50% equity interest in EHIL. On 15 June 2009, the Group completed the disposal at a consideration of HK\$722,168,000 (subject to adjustment in accordance with the Post-Disposal Appreciation as described in the Company's circular dated 24 April 2009).
- (iii) On 21 January 2009, STDM and its subsidiary executed a deed of undertaking in favour of the Company, conditionally undertaking to enter into a repurchase agreement relating to an off-market share repurchase by the Company of its 263,667,107 shares in aggregate held by STDM and its subsidiary at a consideration of HK\$580,068,000, equivalent to HK\$2.20 per share. The repurchase agreement was executed on 15 June 2009.
- (iv) Dato' Dr. Cheng Yu Tung is chairman of NWD.
- (v) Ms. Pansy Ho has beneficial interest in MGM. Ms. Pansy Ho and Ms. Daisy Ho are directors of MGM.
- (vi) CTSHK is a subsidiary of China Travel International Investment Hong Kong Limited which is a minority shareholder of a subsidiary.
- (vii) Net receivable from STDM Group comprises unsecured, non-interest bearing current account, trade and other receivables and payables.
- (viii) Amounts due by jointly controlled entities are unsecured. Amount of HK\$1,275,000,000 (at 31 December 2008: HK\$659,940,000) is repayable by 5 December 2010, amount of HK\$30,555,000 (at 31 December 2008: HK\$30,489,000) is repayable upon notice of either party and amount of HK\$6,387,000 (at 31 December 2008: HK\$9,128,000) is repayable by five (at 31 December 2008: seven) instalments while the remaining balance have no fixed term of repayment. Amount of HK\$1,275,000,000 (at 31 December 2008: HK\$659,940,000), HK\$6,387,000 (at 31 December 2008: HK\$9,128,000) and HK\$2,196,000 (at 31 December 2008: HK\$2,196,000) are interest bearing at HIBOR plus 3%, base lending rates promulgated by the People's Bank of China in PRC and 4% per annum respectively while the remaining balances are non-interest bearing. The related interest income for the first half of 2009 amounted to HK\$22,036,000 (2008: HK\$11,229,000). At 30 June 2009, interest receivable of HK\$82,016,000 (at 31 December 2008: HK\$60,098,000) remained unsettled.

NOTE 17 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

Notes: (Continued)

- (ix) The subsidiary, Ranex Investments Limited ("Ranex"), carries on the business of property investment and development. Ranex is owned as to 51% by the Group, 29% by SHK, 10% by NWD and 10% by an unrelated third party. The minority shareholders' loans to Ranex from NWD and SHK are unsecured, non-interest bearing and with no fixed term of repayment.
- (x) The subsidiary, Shun Tak Cultural Centre Limited, holds 100% interest in Shun Tak Business Centre in Guangzhou and is owned as to 60% by the Group and 40% by a company beneficially owned by Dr. Stanley Ho. The minority shareholder's loan is unsecured, non-interest bearing and with no fixed term of repayment.
- (xi) The subsidiary, Shun Tak Nam Van Investment Limited ("Shun Tak Nam Van"), entered into a conditional sale and purchase agreement with Sai Wu, a company beneficially owned as to 60% by Dr. Stanley Ho and 40% by other independent third parties, to acquire the interest in the land development right in respect of the property sites adjoining the Macau Tower in Nam Van, Macau. The refundable deposit was paid by Shun Tak Nam Van to Sai Wu in order to further extend the completion date of the acquisition without changing the consideration or other terms of the acquisition. On 26 May 2009, the completion date of the acquisition was further extended from 30 June 2009 to on or before 31 December 2010.
- (xii) The subsidiary, Union Sky Holdings Limited, holds The SkyCity Marriott Hotel at the Hong Kong International Airport and is owned as to 70% by the Group and 30% by DI. DI is a wholly-owned subsidiary of DHK. The minority shareholder's loan is unsecured, non-interest bearing and with no fixed term of repayment.

NOTE 18 COMMITMENTS

(a) Capital commitments

	30 June 2009 (HK\$'000)	31 December 2008 (HK\$'000)
Contracted but not provided for	82,228	118,420
Authorised but not contracted for	639	3,809
	82,867	122,229

In addition to the above, the Group had the following commitments at the balance sheet date:

- (i) the payment of HK\$3,080 million (at 31 December 2008: HK\$3,080 million) in cash and the issue of 148,883,374 (at 31 December 2008: 148,883,374) ordinary shares of the Company for the acquisitions of the interests in the land development rights in respect of the property sites adjoining the Macau Tower in Nam Van, Macau.
- (ii) its share of capital and loan contributions of HK\$525 million (at 31 December 2008: HK\$1,172 million) to certain jointly controlled entities to finance various projects mainly in Macau.

(b) Property development commitments

The Group had commitments of HK\$108,526,000 (at 31 December 2008: HK\$598,979,000) under various contracts to complete property development projects, out of which HK\$42,434,000 (at 31 December 2008: HK\$460,092,000) represents the Group's share of such commitments of a jointly controlled entity.

NOTE 19 CONTINGENCIES

There have been no material changes in contingent liabilities of the Group since 31 December 2008.

NOTE 20 COMPARATIVES

As a result of the application of HKAS 1 (Revised), Presentation of financial statements, and HKFRS 8, Operating segments, certain comparative figures have been adjusted to conform to current period's presentation and to provide comparative amounts in respect of items disclosed for the first time in 2009. Further details are disclosed in note 2. In addition, other revenue of HK\$16,374,000 in connection with the disposal of certain available-for-sale investments and other financial instruments have been reclassified to other net income. The cumulative gain of HK\$21,556,000 on fuel swap contracts designated as cash flow hedges, previously used to reduce other costs, and other revenue of HK\$29,811,000 have been reclassified as cost of inventories sold or consumed.

Disclosure of Interests

(1) DISCLOSURE OF DIRECTORS' INTERESTS

As at 30 June 2009, the interests or short positions of the directors ("Directors") and chief executive of the Company and their associates in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules"), were as follows:

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

Name of Director	Nature of interests	Number of shares held			Note	Approximate percentage of total issued shares Note (i)
		Personal interests	Note	Corporate interests		
Dr. Stanley Ho	Interests in issued shares	250,936,160		39,021,590	(iii)	14.33%
	Interests in unissued shares	–		148,883,374	(iv)	7.36%
	Interests in underlying shares	1,587,300	(ii)	–		0.08%
Sir Roger Lobo	–	–		–		–
Mr. Norman Ho	–	–		–		–
Mr. Charles Ho	–	–		–		–
Dato' Dr. Cheng Yu Tung	–	–		–		–
Mrs. Louise Mok	Interests in issued shares	342,627		–		0.02%
Ms. Pansy Ho	Interests in issued shares	47,087,604		191,931,661	(v)	11.81%
	Interests in unissued shares	–		148,883,374	(iv)	7.36%
	Interests in underlying shares	10,157,740	(ii)	–		0.50%
Ms. Daisy Ho	Interests in issued shares	45,301,811		97,820,707	(vi)	7.07%
	Interests in unissued shares	–		148,883,374	(iv)	7.36%
	Interests in underlying shares	12,157,740	(ii)	–		0.60%
Ms. Maisy Ho	Interests in issued shares	11,680,435		23,066,918	(vii)	1.72%
	Interests in underlying shares	20,157,740	(ii)	–		1.00%
Mr. David Shum	Interests in underlying shares	5,000,000	(ii)	–		0.25%
Mr. Michael Ng	–	–		–		–

Notes:

- (i) As at 30 June 2009, the total number of issued shares of the Company was 2,023,710,803.
- (ii) These represent the interests in underlying shares in respect of share options granted by the Company, details of which are disclosed in section (2) headed "Share Options" below.
- (iii) These 39,021,590 shares, of which Dr. Stanley Ho was deemed to be interested by virtue of the SFO, comprised 11,446,536 shares held by Sharikat Investments Limited ("SIL"), 24,838,987 shares held by Dareset Limited ("DL") and 2,736,067 shares held by Lanceford Company Limited ("LCL"). SIL, DL and LCL are all wholly owned by Dr. Stanley Ho.
- (iv) These 148,883,374 unissued shares, of which Dr. Stanley Ho, Ms. Pansy Ho and Ms. Daisy Ho were deemed to be interested by virtue of the SFO, were the same parcel of shares, and represented shares to be allotted to Alpha Davis Investments Limited ("ADIL") upon completion of the acquisition as described in the Company's circular dated 17 December 2004. ADIL is owned as to 47% by Innowell Investments Limited ("IIL") and 53% by Megaprospers Investments Limited ("MIL"). IIL is wholly owned by Dr. Stanley Ho. MIL is owned as to 51% by Ms. Pansy Ho and 39% by Ms. Daisy Ho.
- (v) These 191,931,661 shares, of which Ms. Pansy Ho was deemed to be interested by virtue of the SFO, comprised 97,820,707 shares held by Beeston Profits Limited ("BPL") and 94,110,954 shares held by Classic Time Developments Limited ("CTDL"). Both BPL and CTDL are wholly owned by Ms. Pansy Ho.
- (vi) These 97,820,707 shares, of which Ms. Daisy Ho was deemed to be interested by virtue of the SFO, were held by St. Lukes Investments Limited, which is wholly owned by Ms. Daisy Ho.
- (vii) These 23,066,918 shares, of which Ms. Maisey Ho was deemed to be interested by virtue of the SFO, were held by LionKing Offshore Limited ("LionKing"). LionKing is wholly owned by Ms. Maisey Ho.

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

Name of Director	Name of subsidiary	Corporate interests	Approximate percentage of total issued shares (Note)
Dr. Stanley Ho	Shun Tak Cultural Centre Limited	4 ordinary shares	40%

Note:

As at 30 June 2009, there was a total of 10 ordinary shares of Shun Tak Cultural Centre Limited in issue.

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

Name of Director	Name of associated corporation	Corporate interests	Approximate percentage of total issued shares (Note)
Ms. Pansy Ho	Shun Tak & CITS Coach (Macao) Limited	750 shares	15%

Note:

As at 30 June 2009, there was a total of 5,000 shares of Shun Tak & CITS Coach (Macao) Limited in issue.

All the interests disclosed in sections (a) to (c) above represent long position in the shares or underlying shares of the Company or its associated corporations (within the meaning of Part XV of the SFO).

Save as disclosed in sections (a) to (c) above, none of the Directors or chief executive of the Company or any of their associates had or were deemed to have any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as at 30 June 2009.

(2) SHARE OPTIONS

Details of share options granted to the Directors and an employee under the share option scheme of the Company adopted on 31 May 2002 (the "Share Option Scheme") as at the beginning and end of the period were as follows:

Grantee	Date of grant	Exercise period	Exercise price per share	Number of share options	
				1 January 2009	30 June 2009
Directors					
Dr. Stanley Ho	25 May 2004	25 May 2004 to 24 May 2014	HK\$3.15	1,587,300	1,587,300
Ms. Pansy Ho	25 May 2004	25 May 2004 to 24 May 2014	HK\$3.15	10,157,740	10,157,740
Ms. Daisy Ho	25 May 2004	25 May 2004 to 24 May 2014	HK\$3.15	12,157,740	12,157,740
Ms. Maisy Ho	25 May 2004	25 May 2004 to 24 May 2014	HK\$3.15	20,157,740	20,157,740
Mr. David Shum	22 September 2004	22 September 2004 to 21 September 2014	HK\$4.20	5,000,000	5,000,000
Former Directors					
Dr. Ambrose So	25 May 2004	25 May 2004 to 24 May 2014	HK\$3.15	20,157,740	—
Mr. Patrick Huen	25 May 2004	25 May 2004 to 24 May 2014	HK\$3.15	10,078,870	—
Employee	8 July 2004	8 July 2004 to 7 July 2009	HK\$3.95	200,000	—

Notes:

(i) *Movements in share options under the Share Option Scheme during the period were as follows:*

- 20,157,740 share options of Dr. Ambrose So granted under the Share Option Scheme were exercised during the period. The weighted average closing price of the shares of the Company immediately before the date on which such share options were exercised was HK\$4.34 per share. Dr. Ambrose So resigned as an executive director of the Company on 8 April 2009.
- 10,078,870 share options of Mr. Patrick Huen granted under the Share Option Scheme were exercised during the period. The weighted average closing price of the shares of the Company immediately before the date on which such share options were exercised was HK\$4.10 per share. Mr. Patrick Huen resigned as an executive director of the Company on 8 April 2009.
- 200,000 share options of an employee granted under the Share Option Scheme were exercised during the period. The weighted average closing price of the shares of the Company immediately before the date on which such share options were exercised was HK\$4.60 per share.
- No share option was granted, cancelled or lapsed during period.

(ii) *All the share options outstanding at the beginning and at the end of the period granted to the existing and former Directors as shown in the above table are/were exercisable during a period of 10 years commencing from the respective dates of grant. These share options were all vested on their respective dates of grant.*

(iii) *All the share options outstanding at the beginning and at the end of the period granted to an employee as shown in the above table are exercisable during a period of 5 years commencing from the date of grant. These share options were all vested on the date of grant.*

Save as disclosed above, as at 30 June 2009, none of the Directors or their spouse or children under 18 years of age were granted any rights to subscribe for any equity or debt securities of the Company or any of its associated corporations under the Share Option Scheme.

(3) SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 30 June 2009, according to the register of interests or short positions in shares required to be kept by the Company under Section 336 of the SFO, other than the interests of the Directors and chief executive of the Company, the following shareholders were interested in 5% or more of the issued share capital of the Company:

Name of shareholder	Note	Nature of interests	Capacity	Number of shares/ underlying shares held	Approximate percentage of total issued shares Note (i)
Shun Tak Shipping Company, Limited ("STS") and its subsidiaries	(ii)	Interests in issued shares	Beneficial owner	308,057,215	15.22%
Alpha Davis Investments Limited ("ADIL")	(iii)	Interests in unissued shares	Beneficial owner	148,883,374	7.36%
Innowell Investments Limited ("IIL")	(iii)	Interests in unissued shares	Interests of controlled corporation	148,883,374	7.36%
Megaprosper Investments Limited ("MIL")	(iii)	Interests in unissued shares	Interests of controlled corporation	148,883,374	7.36%
Baring Asset Management Limited	(iv)	Interests in issued shares	Investment manager	112,568,000	5.56%

Notes:

- (i) As at 30 June 2009, the total number of issued shares of the Company was 2,023,710,803.
- (ii) Dr. Stanley Ho, Dato' Dr. Cheng Yu Tung, Ms. Pansy Ho and Ms. Daisy Ho have beneficial interests in and are directors of STS. Mrs. Louise Mok and Mr. David Shum have beneficial interests in STS.
- (iii) ADIL is entitled to the interests in 148,883,374 unissued shares of the Company which will be issued upon completion of the acquisition as described in the Company's circular dated 17 December 2004. ADIL is owned as to 47% by IIL and 53% by MIL. IIL is wholly owned by Dr. Stanley Ho. MIL is owned as to 51% by Ms. Pansy Ho, 39% by Ms. Daisy Ho and 10% by Ms. Maisy Ho. Accordingly, the interests of IIL and MIL in the Company duplicate the interests of ADIL in the Company as described above. Dr. Stanley Ho is a director of ADIL and IIL. Ms. Pansy Ho and Ms. Daisy Ho are directors of ADIL, IIL and MIL.
- (iv) As at 30 June 2009, Baring Asset Management Limited ("BAM") was deemed to be interested in 112,568,000 shares through its controlled corporations, namely, Baring International Investment Management Holdings Limited, Baring Asset Management UK Holdings Limited, Baring Asset Management (Asia) Holdings Limited and Baring Asset Management (Asia) Limited, all of which were direct or indirect wholly owned subsidiaries of BAM.

(v) All the interests disclosed above represent long position in the shares of the Company.

Save as disclosed above, no other person (other than the Directors and the chief executive of the Company) had any interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO as at 30 June 2009.

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES

In compliance with the requirements of Rule 13.22 of the Listing Rules, a proforma combined balance sheet of the affiliated companies and the Group's attributable interests as at 30 June 2009 are disclosed as follows:

	Proforma Combined Balance Sheet (HK\$'000)	Group's Attributable Interests (HK'000)
Non-current assets	5,223,657	2,369,746
Current assets	4,483,754	2,210,069
Current liabilities	(2,329,504)	(1,169,794)
Non-current liabilities	(3,080,317)	(1,570,278)
Net assets	4,297,590	1,839,743

The proforma combined balance sheet of the affiliated companies is prepared by combining their balance sheets as at 30 June 2009, after regrouping into significant balance sheet classification and taking up adjustments to conform with the Group's significant accounting policies as well as any fair value adjustments.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2009, the Company repurchased 263,667,107 of its own issued ordinary shares of HK\$0.25 each from STDM and its subsidiary (the "STDM Group") at the repurchase price of HK\$2.20 per share in an off-market manner (the "Off-market Repurchase") pursuant to the repurchase agreement entered into between the Company and the STDM Group on 15 June 2009. Part of the consideration receivable by the Group from the STDM Group for the disposal of a subsidiary of the Group was applied to set off the consideration, in the aggregate amount of HK\$580,067,635.40, payable by the Company to the STDM Group for the Off-market Repurchase. The Off-market Repurchase was approved by the independent shareholders of the Company at the extraordinary general meeting of the Company held on 26 May 2009. Details of the Off-market Repurchase are set out in the circular of the Company dated 24 April 2009.

The repurchased shares were cancelled and accordingly the issued share capital of the Company was reduced by the nominal value of these shares.

The Off-market Repurchase was made as it presented an excellent opportunity for the Company to enhance its earnings per share and net asset value per share with a view to maximising the total return on shareholders' investment in the Company.

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 six months ended 30 June 2009.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors of the Company, the Company has complied with the code provisions contained in the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2009. The corporate governance practices adopted by the Company during the period were generally the same as those disclosed in the report on corporate governance practices set out in the 2008 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 (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding directors' securities transactions. All the directors of the Company 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 2009.

DISCLOSURE OF CHANGES IN DIRECTORS' INFORMATION

Changes in Directors' biographical details and information since 2 April 2009, the date to which the 2008 Annual Report of the Company was made up, that are required to be disclosed pursuant to Rule 13.51(2) and Rule 13.51B(1) of the Listing Rules, are set out below:

Dr. Stanley Ho

STDM, of which Dr. Stanley Ho is the managing director, ceased to be a substantial shareholder of the Company with effect from 26 June 2009.

Ms. Pansy Ho

STDM, of which Ms. Pansy Ho is a director, ceased to be a substantial shareholder of the Company with effect from 26 June 2009. The Company has imposed a 10% reduction in monthly salary on all those executive directors whose remuneration packages cover monthly salary with effect from 1 January 2009, and has implemented a new arrangement for replacing double pay with discretionary performance bonus with effect from 1 May 2009. Both changes are applicable to Ms. Pansy Ho and her monthly salary has been changed to HK\$440,942 with effect from 1 January 2009.

Ms. Daisy Ho

STDM, of which the Company is its corporate director and Ms. Daisy Ho is the appointed representative of the Company for such purpose, ceased to be a substantial shareholder of the Company with effect from 26 June 2009. The Company has imposed a 10% reduction in monthly salary on all those executive directors whose remuneration packages cover monthly salary with effect from 1 January 2009, and has implemented a new arrangement for replacing double pay with discretionary performance bonus with effect from 1 May 2009. Both changes are applicable to Ms. Daisy Ho and her monthly salary has been changed to HK\$364,759 with effect from 1 January 2009.

Ms. Maisy Ho

Ms. Maisy Ho's position in the Hong Kong United Youth Association has been changed to honorary vice chairman and she was appointed as the vice president of Macao International Brand Association during the period. The Company has imposed a 10% reduction in monthly salary on all those executive directors whose remuneration packages cover monthly salary with effect from 1 January 2009, and has implemented a new arrangement for replacing double pay with discretionary performance bonus with effect from 1 May 2009. Both changes are applicable to Ms. Maisy Ho and her monthly salary has been changed to HK\$263,000 with effect from 1 January 2009.

Mr. David Shum

The Company has imposed a 10% reduction in monthly salary on all those executive directors whose remuneration packages cover monthly salary with effect from 1 January 2009, and has implemented a new arrangement for replacing double pay with discretionary performance bonus with effect from 1 May 2009. Both changes are applicable to Mr. David Shum. Mr. David Shum's monthly salary was changed to HK\$125,060 with effect from 1 January 2009 but the Board had subsequently approved an increase of Mr. David Shum's monthly salary to HK\$208,000 with effect from 1 April 2009.

Mrs. Louise Mok

STDM, of which Mrs. Louise Mok is a director, had ceased to be a substantial shareholder of the Company with effect from 26 June 2009.

Mr. Norman Ho

Mr. Norman Ho resigned as a non-executive director and a member of the audit committee of Taifook Securities Group Limited with effect from 1 July 2009.

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

REVIEW BY AUDIT COMMITTEE

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2009 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 unaudited condensed consolidated interim financial statements for the said period in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

By order of the Board

Pansy Ho

Managing Director

Hong Kong, 14 September 2009

As at the date of this report, the executive directors of the Company are Dr. Stanley Ho, Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho, Mr. David Shum and Mr. Michael Ng; 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 and Mr. Charles Ho.

SHUN TAK HOLDINGS LIMITED

Penthouse, 39th Floor, West Tower
Shun Tak Centre
200 Connaught Road Central
Hong Kong

www.shuntakgroup.com

信德集團有限公司

香港中環干諾道中二百號
信德中心西座三十九頂樓