

For immediate Release



**SHUN TAK HOLDINGS LIMITED**  
(Incorporated in Hong Kong with limited liability)  
(Stock code: 242)  
website: <http://www.shuntakgroup.com>

## Shun Tak Financial Results 2008

<b>Financial Highlights (For the fiscal year ended 31 December 2008)</b>			
	<b>2008</b>	<b>2007</b>	<b>Increase</b>
	<b>(HK\$ Million)</b>	<b>(HK\$ Million)</b>	<b>(%)</b>
Turnover	4,350.8	3,318.1	↑31%
Profit attributable to shareholders (excluding revaluation effect and excess in fair value of net assets acquired)	195.7	641.2	↓69%
Profit attributable to shareholders	101.4	1,013.5	↓90%
Earnings per share (HK cents):			
- Basic	4.4	45.7	↓90%
- Diluted	4.3	43.9	↓90%

(2 April, 2009 – Hong Kong) Shun Tak Holdings Limited (“Shun Tak” or “The Group”; stock code: 242) announced today its financial results for the fiscal year of 2008 ended 31 December 2008.

The Group posted turnover of HK\$4,350.8 million, a growth of 31% over the prior year. Profit attributable to shareholders of the Group for the year ended 31 December 2008 was HK\$101.4 million (2007: HK\$1,013.5 million). Basic earnings per share were HK4.4 cents (2007: HK 45.7 cents). The profit attributable to the equity holders of the Group for the year would be HK\$196 million, a decrease of approximately 69% compared with last year of HK\$641 million, after excluding the effect of revaluation deficit (net of deferred taxation) of HK\$95 million (2007: gain of HK\$82 million) on investment properties and excess of interest in fair value of net assets acquired over cost of acquisition of subsidiaries of HK\$291 million in 2007. The Directors recommend a final dividend of HK 1.3 cents (2007: HK 7.0 cents) per share. No interim dividend was declared during the year (2007: HK 7.0 cents per share). The total dividends for the year amounted to HK 1.3 cents (2007: HK 14.0 cents) per share.

The market and operating environment have been extremely volatile and challenging in year

2008. In spite of steady growth in the Group's property and hospitality operations over the first half of the year, the economy started to plummet in the later half, bringing considerable operational challenges to the Group.

### Property

The Group's property division reported an operating profit of HK\$370 million (2007: HK\$287 million) or 29% growth for the year ended 31 December 2008. 2008 revenue is primarily attributable to realized profits from the sale of Nova City Phase 3. As of 31 December 2008, over 87% of units from Nova City Phase 3 have been sold. Phases 4 and 5 of the project are currently under planning.

Superstructure works for One Central are progressing according to plans, with the residential units expected to be ready for handover in the 3<sup>rd</sup> quarter of 2009. Over 97% of residential units were sold as at 31 December 2008. The shopping mall is scheduled for completion and opening by the end of 2009 with international luxury brands making substantial investments in either creating their flagship stores, or their first or largest stores in Macau. The hotel, to be managed by the Mandarin Oriental, and serviced apartments are scheduled to open in the first quarter of 2010.

In May 2008, the Group undertook to acquire a plot of land adjoining the original Nam Van site. The combined sites with developable gross floor area of approximately 4.3 million square feet will be used to develop a mixed-use development consisting primarily of premium residential units. Other commercial elements including shopping mall, serviced apartments and hotel will be developed according to market demands. The project is now under planning and is subject to Macau SAR Government's approval. In the same month, the Group also purchased a 20% stake from Sociedade de Turismo e Diversões de Macau, S.A. ("STDM") in the Cotai site development and became the sole investor in the project. The Group is now under discussions with the Macau SAR government to develop the site into an ultra-luxurious hotel to be operated by Jumeirah Group.

In Hong Kong, 7 out of the 10 duplex units in Radcliffe were sold as of December 2008. Construction works of Chatham Garden Redevelopment Project commenced in December 2008. Located in central Kowloon and in close proximity with the Tsim Sha Tsui district, Chatham Garden is a luxurious development consisting of residential and retail components offering approximately 370,000 square feet of gross floor area. The project is scheduled for completion in the first quarter of 2012.

## Transportation

As a result of rising global oil prices, the fuel costs of the Group's shipping operation surged year-on-year by approximately 42%; causing the division to record an operating loss of HK\$150 million for 2008, as compared with an operating profit of HK\$259 million for 2007. The division also suffered a loss in passenger volume with Hong Kong-Macau route decreased year-on-year by approximately 8%.

To weather such challenges, TurboJET strove to achieve higher cost efficiency and at the same time, enhance its service standards. A combination of measures, including re-deployment of resources, effective fleet utilization and the implementation of labour cost control measures across TurboJET was implemented in order to improve return on investments. In addition, fleet capacity was enhanced with the purchase of 2 new high-speed passenger catamarans, each with 418 passenger seating capacity, to achieve economies of scale and enhance operational efficiency. A newly refurbished Jetfoil was introduced in the third quarter of 2008 serving the more discerning clientele as part of the market diversification effort, and a multitude of value-adding services were launched during the year.

TurboJET Airport Routes continue to exhibit strong growth, registering a 32% year-on-year increase in passenger volume. In order to cope with the increasing demand and offer better connectivity with flight schedules, a 21% additional capacity has been introduced. The Group continues to be committed in expanding its inter-modal transportation platform, and is planning to launch a new service between Nam Sha and Hong Kong International Airport, with the application pending for approval.

Shun Tak & CITS Coach (Macao) Limited, which operates Macau and cross-boundary charter bus services, currently has an operating fleet of approximately 120 vehicles. The business contributes a stable income stream for the Group, with revenue almost doubled to approximately HK\$73 million in 2008, registering a remarkable growth in profit.

## Hospitality

The global financial downturn and tightened travel restrictions in China took their toll on Macau's tourism industry in the second half of 2008. Coupled with the effect of pre-opening expenses incurred for the Group's 70%-owned SkyCity Marriott Hotel that commenced operation in December 2008, the hospitality division reported a decrease in operating profit of 90% to HK\$4 million (2007: HK\$43 million).

The Group announced in January 2009 that, subject to approval from independent shareholders, it will dispose of its 50% interest in the Mandarin Oriental Macau to STDM at a consideration of approximately HK\$740 million. If and when the property is disposed or redeveloped by STDM, the Group will be entitled to an additional 50% of the site's future redevelopment gains. The Group's acclaimed 34.9%-owned Westin Resort Macau ("Westin") continues to be popular among tourists seeking a non-gaming resort destination, and the adjacent Macau Golf & Country Club also recorded satisfactory performance. In December 2008, the Group entered into a management agreement with the Dubai-based luxury hotel management company, the Jumeirah Group, to operate an ultra-luxurious hotel to be developed by the Group on the Cotai site. The Group now holds 100% interest in the project following the acquisition of a 20% stake from STDM. The Hotel is scheduled for completion in year 2013.

Macau Tower under the Group's management has received over 7.1 million paid visitors since its opening in December 2001. The SkyJump and Bungy Jump adventures listed under Guinness World Record have collectively recorded 9,402 jumps in 2008, a 33% year-on-year growth. (2007: 7,049 jumps).

In Hong Kong, the Group made its foray into the Hong Kong hospitality scene in December 2008 with the opening of its 70%-owned joint venture, The Hong Kong SkyCity Marriott Hotel. Directly linked to the AsiaWorld-Expo, and only minutes away from the Hong Kong International Airport and the new SkyPier to be completed in 2009, the hotel offers outstanding access and superb facilities to support the needs of event organizers and MICE delegations.

Shun Tak Hospitality Services Limited ("STHSL") has formed a new MICE arm to better serve growing demand from Greater China and other Asian markets. STHSL is aggressively expanding its MICE business in Mainland China, and expects to receive a full license in the first half of 2009.

### Investment

Operating profit of the investment division increased to HK\$114 million (2007: HK\$81 million) for 2008. The Group owns an effective interest in STDM of approximately 11.5%. In 2008, the Group recognized HK\$78 million in ordinary dividends declared by STDM for the financial year ended 31 December 2007.

On 16 July 2008, STDM completed the spin-off of its subsidiary, Sociedade de Jogos de Macau, S.A. ("SJM") through SJM Holdings Limited. Following the spin-off, STDM's effective shareholding in SJM, one of the few gaming concessionaires licensed by the Macau SAR

Government to operate casinos, decreased from approximately 80% to about 60%.

The Group has repurchased 105,338,000 shares of its common stock on the Stock Exchange for an aggregate consideration, including transaction costs, of approximately HK\$322 million in 2008. The Group announced in January 2009 that it intends to repurchase 263,667,107 shares held by STDM and its subsidiary, at the price of \$2.20 per share, representing approximately 11.68% of the Company's issued share capital if approved by its shareholders. The Group will continue to monitor its share prices, and continue to implement its prudent share buyback program at opportune moments.

Managing Director of the Group, Pansy Ho, commented on the financial results, "Under the global financial crisis, the Group has experienced inevitable challenges, and further adjustments are expected to continue into 2009. The Group has taken this opportunity to reevaluate its business portfolio, streamline its operations, and introduce further synergy between our transportation and hospitality divisions to establish a solid foundation in better meeting future expansion prospects. However, as we diversify and expand, management will continue to exercise prudence in assessing opportunities, and will continue to monitor the market and operating environment. Resources will be carefully allocated to reap the highest returns while costs will be controlled so as to ensure that all projects will progress according to schedule. We are confident that the Group will prove its solidarity amidst the economic downturn, and lay a solid foundation for the eventual recovery of the market so as to emerge stronger and faster than our peers."

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