

For immediate Release



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

SHUN TAK REGISTERED PROMISING IMPROVEMENTS IN UNDERLYING BUSINESS EARNINGS

Financial Highlights (For the six-month period ended 30 June 2010)			
	1H2010	1H2009	Difference
	(HK\$'million)	(HK\$'million)	(%)
Turnover	1,683	1,659	↑ 1 %
Profit attributable to shareholders	266	1,690	↓ 84 %
Underlying earnings	61	31	↑ 97 %

(August 31, 2010- Hong Kong) Underscored by a flourishing real estate market and a marked rebound in the tourism industry, Shun Tak Holdings Limited ("Shun Tak" or "the Group"; stock code: 242) recorded a marginal growth of 1% in turnover at HK\$1,683 million and posted underlying business earnings of HK\$61 million over the first six months of 2010, a solid 97% year-on-year improvement. In the absence of exceptional profits from asset disposals and termination fee for Tower 4 of One Central, profit attributable to owners of the company amounts to HK\$266 million. Basic earnings per share stand at HK 13.1 cents. The Board has resolved not to declare an interim dividend (2009: HK 3.8 cents per share) in respect of the six months ended 30 June 2010.

"The Group is confident about its outlook with projects including the Chatham Garden Redevelopment, One Central serviced apartments and Taipa columbarium ready for launch in coming months. Capitalizing upon the low-interest environment, both our Hong Kong and Macau developments are expected to generate popular demand. Moreover, our hospitality portfolio is expected to contribute consistently to earnings under the robust tourism performance" remarked Ms. Pansy Ho, Managing Director of the Group. "With various pipeline projects anticipated to commence in the near future, such as Nova City Phase 4 and 5, we are prudently maintaining a healthy cash position, paving way for persistent revenue for the Group."

Property

The Group's property division registered an operating profit of HK\$150 million during the period (1H2009: HK\$139 million), representing a steady 8% year-on-year growth, with the gain underpinned by Nova City Phase 3 sales in a reenergized property market.

The Group holds a 51% interest in One Central, a joint venture with Hongkong Land Holdings Limited. As of 30 June 2010, 98% of the 7 luxurious residential towers have been sold, of which 91% have been handed over to purchasers. 98% of typical units within Tower 4 cancelled by its original en bloc purchaser were re-launched in December 2009 at relatively higher prices. The shopping mall was opened in December 2009, while the new Mandarin Oriental, Macau directly connected with it also celebrated its opening on 29 June 2010 featuring 213 guest rooms. Managed by the same hotel group, 56 luxurious residences and 36 apartments are set for public sales in the later half of 2010, offering the only hotel managed serviced apartments with transferable strata titles in Macau.

Nova City is one of the largest and most integrated residential communities in Macau. Consisting of five phases, the first three phases were completed with 97% of units in the 13 residential towers successfully sold as of 30 June, 2010. Phase 4 comprises of three residential towers and over 680,000 square feet, while Phase 5 offers over 2.3 million square feet of residential units in eight towers that sit above a large-scale lifestyle shopping centre. Foundation works will commence in the 4th quarter of 2010 for Phase 4 and 2nd quarter of 2011 for Phase 5 respectively. The concerned draft land contract with lease modification was accepted by the Group in June 2010.

The Group holds a 79% interest in a columbarium project in Taipa, designed to offer approximately 50,000 niches with legal titles to the undersupplied Macau, Hong Kong and Zhuhai markets. A showroom in Hung Hom will commence service in the 4th quarter of 2010. Construction and fit-out works are progressing well with completion scheduled for the 2nd quarter of 2011.

In Hong Kong, the Chatham Garden Redevelopment Project in Central Kowloon adjacent to Tsim Sha Tsui will offer approximately 370,000 square feet of residential and retail space. Completion is slated for the 4th quarter of 2012 and pre-sale is expected to commence within the next 6 months. The Group holds a 51% interest in the project.

Transportation

With a revival in global tourism, passenger volume on TurboJET's flagship Hong Kong-Macau route grew by 1% year-on-year over the first half of 2010. Nonetheless, rallying fuel prices and aggressive pricing from competitors continued to curb pace of recovery. The transportation division registered an operating loss of HK\$22 million as compared with a loss of HK\$14 million experienced over the same

period last year. In light of the challenging operating environment, the division will continue to monitor costs, manage capital expenditures and optimize fleet utilization.

The Group continues to form alliances with mainland operators as part of its route development strategy within the Pearl River Delta. A new route connecting Nansha and Macau was launched in June 2010 in association with Panyu Nansha Port Passenger Transport Company Limited, following similar cooperative models in the Shekou-Macau route and the Nansha-Hong Kong International Airport route.

On land, Shun Tak & CITS Coach (Macao) Limited, which operates coach rental services within Macau locally as well as cross-border PRC routes, has a fleet of 117 vehicles in service. HK\$39 million in revenue was recorded over the first half of 2010, generating high profit return for the transportation division.

Hospitality

As the global economy gradually recovers, tourism performances of Hong Kong and Macau have outpaced their regional peers in the upturn. Benefiting from increased visitor arrivals, occupancy rate made encouraging improvements. The hospitality division registered an operating profit of HK\$5 million over the first six months of 2010 as compared with a loss of HK\$34 million from the same period last year.

With the disposal of interest in the former Mandarin Oriental Hotel in Macau, the brand new Mandarin Oriental, Macau at One Central made its debut in June 2010 exactly one year later. The 213-room hotel is set for a promising launch with its established customer base and convenient location.

In Hong Kong, the 658-room SkyCity Marriott Hotel which enjoys direct access to AsiaWorld-Expo and close proximity to the newly opened SkyPier, achieved significant improvements in occupancy and room rates over the period. Buoyed by a recovery in tour group business, the operation generated positive return over the period.

In China, the Group has been in full gear preparation for the pre-opening management and exciting debut of the Canton Tower. The iconic architecture will house a mix of leisure retail brands, international dining options including two revolving restaurants, top class MICE and adventure facilities. Following the successful marketing and positioning of Macau Tower, the Group is set to create the next world class tourism destination in Guangzhou.

Investment

The investment division recorded a loss of HK\$1 million (1H2009: profit of HK\$26 million) over the period, with the decline mainly due to the lack of dividend income from Sociedade de Turismo e Diversões de Macau, S.A. ("STDM").

Macau Matters Company Limited, the Group's retail arm has established strong footing in the Macau young consumer segment. In July 2010, its licensed brand Toys "R" Us expanded to a new store doubling its size and product variety, while a new business, "CentralDeli" that offers a full range of deli products, is launched in One Central Shopping Mall early August.

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