

ANNOUNCEMENT

The Board of Directors of Sun Hung Kai Properties Limited announces the following audited consolidated figures for the Group for the year ended 30 June 2010 with comparative figures for 2009:-

Consolidated Income Statement

For the year ended 30 June 2010

(Expressed in millions of Hong Kong dollars)

	Notes	2010	2009
Revenue	2(a)	33,211	34,234
Cost of sales		<u>(17,142)</u>	<u>(17,689)</u>
Gross profit		16,069	16,545
Other income		663	316
Selling and marketing expenses		<u>(1,408)</u>	<u>(1,474)</u>
Administrative expenses		<u>(1,482)</u>	<u>(1,404)</u>
Operating profit before change in fair value of investment properties	2(a)	13,842	13,983
Increase/(decrease) in fair value of investment properties		<u>16,469</u>	<u>(2,654)</u>
Operating profit after change in fair value of investment properties		30,311	11,329
Finance costs		<u>(670)</u>	<u>(602)</u>
Finance income		<u>31</u>	<u>94</u>
Net finance costs	3	(639)	(508)
Share of results (including share of increase in fair value of investment properties net of deferred tax of HK\$2,489 million (2009 : HK\$187 million)) of :			
Associates		<u>228</u>	<u>215</u>
Jointly controlled entities		<u>4,637</u>	<u>1,412</u>
	2(a) & 6(b)	4,865	1,627
Profit before taxation	4	34,537	12,448
Taxation	5	<u>(5,896)</u>	<u>(1,885)</u>
Profit for the year	2(a)	28,641	10,563
Attributable to :			
Company's shareholders		28,043	10,356
Non-controlling interests		<u>598</u>	<u>207</u>
		28,641	10,563
Dividends			
Interim dividend paid at HK\$0.85 (2009 : HK\$0.80) per share		2,180	2,051
Final dividend proposed at HK\$1.85 (2009 : HK\$1.70) per share		<u>4,755</u>	<u>4,359</u>
		6,935	6,410
		HK\$	HK\$
Earnings per share based on profit attributable to the Company's shareholders (reported earnings per share)	6(a)		
Basic		<u>\$10.93</u>	<u>\$4.04</u>
Earnings per share excluding the effects of changes in fair value of investment properties net of deferred tax (underlying earnings per share)	6(b)		
Basic		<u>\$5.41</u>	<u>\$4.84</u>

Consolidated Statement of Comprehensive Income
For the year ended 30 June 2010
(Expressed in millions of Hong Kong dollars)

	2010	2009
Profit for the year	28,641	10,563
Exchange difference on translating financial statements of foreign operations	337	(76)
Cash flow hedge:		
- fair value losses	(3)	-
- fair value losses transferred to income statement	1	-
	(2)	-
Available-for-sale investments:		
- fair value gains/(losses)	250	(974)
- fair value gains transferred to income statement on disposal	(30)	(77)
- impairment loss transferred to income statement	-	232
	220	(819)
Share of other comprehensive income/(expense) of associates and jointly controlled entities	102	(47)
Other comprehensive income/(expense) for the year	657	(942)
Total comprehensive income for the year	29,298	9,621
Total comprehensive income attributable to :		
Company's shareholders	28,698	9,428
Non-controlling interests	600	193
	29,298	9,621

Consolidated Statement of Financial Position
As at 30 June 2010

(Expressed in millions of Hong Kong dollars)

	Notes	2010	2009
Non-current assets			
Investment properties		184,001	158,593
Fixed assets		16,825	21,612
Associates		3,100	3,050
Jointly controlled entities		29,381	25,792
Loan receivables		346	465
Other financial assets		3,554	2,953
Intangible assets		4,357	4,647
		<u>241,564</u>	<u>217,112</u>
Current assets			
Properties for sale		84,923	68,347
Debtors, prepayments and others	7	16,060	15,611
Other financial assets		850	602
Bank balances and deposits		8,204	8,143
		<u>110,037</u>	<u>92,703</u>
Current liabilities			
Bank and other borrowings		(11,262)	(2,644)
Trade and other payables	8	(17,667)	(14,600)
Deposits received on sales of properties		(10,672)	(2,854)
Taxation		(5,266)	(3,990)
		<u>(44,867)</u>	<u>(24,088)</u>
Net current assets		<u>65,170</u>	<u>68,615</u>
Total assets less current liabilities		<u>306,734</u>	<u>285,727</u>
Non-current liabilities			
Bank and other borrowings		(34,126)	(39,381)
Deferred taxation		(22,005)	(18,719)
Other long-term liabilities		(739)	(707)
		<u>(56,870)</u>	<u>(58,807)</u>
NET ASSETS		<u>249,864</u>	<u>226,920</u>
CAPITAL AND RESERVES			
Share capital		1,285	1,282
Share premium and reserves		243,793	220,986
Shareholders' funds		<u>245,078</u>	<u>222,268</u>
Non-controlling interests		<u>4,786</u>	<u>4,652</u>
TOTAL EQUITY		<u>249,864</u>	<u>226,920</u>

Notes to the Financial Statements

(Expressed in millions of Hong Kong dollars)

1. Basis of Preparation

The financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards and Interpretations (collectively, “HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance and Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The financial statements are prepared under the historical cost convention except for investment properties and certain financial instruments, which are measured at fair value.

The accounting policies adopted are consistent with those set out in the annual financial statements for the year ended 30 June 2009, except for the changes in accounting policies as described below.

In the current year, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations of Hong Kong Financial Reporting Standards (hereinafter collectively referred to as “new HKFRSs”) issued by the HKICPA, which are effective for the Group’s financial year beginning 1 July 2009.

HKFRSs (Amendments)	Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009 ¹
HKAS 1 (Revised)	Presentation of financial statements
HKAS 23 (Revised)	Borrowing costs
HKAS 27 (Revised)	Consolidated and separate financial statements
HKAS 32 and 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation
HKAS 39 (Amendment)	Eligible hedged items
HKFRS 1 and HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate
HKFRS 2 (Amendment)	Vesting conditions and cancellations
HKFRS 3 (Revised)	Business combinations
HKFRS 7 (Amendment)	Improving disclosures about financial instruments
HKFRS 8	Operating segments
HK(IFRIC) - INT 15	Agreements for the construction of real estate
HK(IFRIC) - INT 16	Hedges of a net investment in a foreign operation
HK(IFRIC) - INT 17	Distribution of non-cash assets to owners
HK(IFRIC) - INT 18	Transfers of assets from customers

¹ Amendments that are effective for annual periods beginning on or after 1 January 2009 or 1 July 2009, as appropriate

HKAS 1 (Revised) has introduced a number of terminology changes, including revised titles for the consolidated financial statements, and has resulted in a number of changes in presentation and disclosure. Under the revised standard, the Balance Sheet is renamed as the “Statement of Financial Position” and the Cash Flow Statement is renamed as the “Statement of Cash Flows”. All income and expenses arising from transactions with non-owners are presented in two statements named the “Income Statement” and “Statement of Comprehensive Income”, and the total carried to the “Statement of Changes in Equity”, while the owners changes in equity are presented in the “Statement of Changes in Equity”.

HKFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. HKAS 27 (Revised) requires that a change in ownership interest of a subsidiary without loss of control is accounted for as an equity transaction.

HKFRS 8 is a disclosure standard that requires the identification of operating segments to be performed on the same basis as financial information that is reported internally for the purpose of allocating resources between segments and assessing their performance. The predecessor standard, HKAS 14 “Segment reporting”, required the identification of two sets of segments (business and geographical) using risks and return approach. The adoption of HKFRS 8 has resulted in a redesignation of the Group’s reportable segments (see note 2).

Improvements to HKFRSs 2008 include an amendment to HKAS 40 under which an investment property which is under construction is to be classified as investment property and carried at fair value where this can be reliably measured. Prior to this amendment, the Group had treated such property as an investment property only to the extent of its land portion which is carried at fair value with any gain or loss being recognized in profit or loss whereas its construction cost portion is carried at cost under the fixed assets until the construction had been completed, at which time the construction cost would be stated together with the land portion at fair value. As a result of this amendment, the construction costs of investment properties under construction have been reclassified and accounted for as investment properties with effective from 1 July 2009. This amendment is applied prospectively and the corresponding amounts of prior periods have not been restated.

The adoption of the above new HKFRSs has no significant impact on the Group’s results and financial position.

The Group has not early applied the following new and revised standards, amendments and interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2009 ²
HKFRSs (Amendments)	Improvements to HKFRSs 2010 ³
HKAS 24 (Revised)	Related Party disclosures ⁴
HKAS 32 (Amendment)	Classification of right issues ⁵
HKFRS 1 (Amendment)	Additional exemptions for first-time adoptors ⁶
HKFRS 1 (Amendment)	Limited exemptions from comparative HKFRS 7 disclosures for first-time adoptors ⁸
HKFRS 2 (Amendment)	Group cash-settled share based payment transactions ⁶
HKFRS 9	Financial instruments ⁷
HK(IFRIC) - INT 14 (Amendment)	Prepayment of a minimum funding requirement ⁴
HK(IFRIC) - INT 19	Extinguishing financial liabilities with equity instruments ⁸

²Amendments that are effective for annual periods beginning on or after 1 January 2010

³Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate

⁴Effective for annual periods beginning on or after 1 January 2011

⁵Effective for annual periods beginning on or after 1 February 2010

⁶Effective for annual periods beginning on or after 1 January 2010

⁷Effective for annual periods beginning on or after 1 January 2013

⁸Effective for annual periods beginning on or after 1 July 2010

It is not anticipated that these new and revised standards, amendments and interpretations will have a significant impact on the results and financial position of the Group.

2. Segment Information

Segment profit represents the profit earned by each segment without allocation of investment income, central administration costs, other income, net finance costs and change in fair value of investment properties. This is the measure reported to the Group's management for the purpose of resource allocation and assessment of segment performance.

(a) Segment revenue and results

An analysis of the revenue and results for the year of the Group and its share of associates and jointly controlled entities by operating segments is as follows:

For the year ended 30 June 2010

	<u>The Company and its subsidiaries</u>		<u>Associates and jointly controlled entities</u>		<u>Combined Revenue</u>	<u>Consolidated Results</u>
	<u>Revenue</u>	<u>Results</u>	<u>Share of Revenue</u>	<u>Share of Results</u>		
Property sales						
Hong Kong	12,481	5,447	911	491	13,392	5,938
Mainland China	110	38	1,525	640	1,635	678
	12,591	5,485	2,436	1,131	15,027	6,616
Property rental						
Hong Kong	8,057	6,061	1,809	1,471	9,866	7,532
Mainland China	726	498	-	-	726	498
Singapore	-	-	490	284	490	284
	8,783	6,559	2,299	1,755	11,082	8,314
Hotel operation	1,409	238	496	135	1,905	373
Telecommunications	3,957	327	-	-	3,957	327
Other businesses	6,471	1,475	2,843	183	9,314	1,658
	<u>33,211</u>	<u>14,084</u>	<u>8,074</u>	<u>3,204</u>	<u>41,285</u>	<u>17,288</u>
Other income		663		-		663
Unallocated administrative expenses		(905)		-		(905)
Operating profit before change in fair value of investment properties		13,842		3,204		17,046
Increase in fair value of investment properties		16,469		3,360		19,829
Operating profit after change in fair value of investment properties		30,311		6,564		36,875
Net finance costs		(639)		(221)		(860)
Profit before taxation		29,672		6,343		36,015
Taxation						
- Group		(5,896)		-		(5,896)
- Associates		-		(33)		(33)
- Jointly controlled entities		-		(1,445)		(1,445)
Profit for the year		<u>23,776</u>		<u>4,865</u>		<u>28,641</u>

For the year ended 30 June 2009

	The Company and its subsidiaries		Associates and jointly controlled entities		Combined Revenue	Consolidated Results
	Revenue	Results	Share of Revenue	Share of Results		
Property sales						
Hong Kong	15,171	6,660	1,279	323	16,450	6,983
Mainland China	366	111	177	19	543	130
	15,537	6,771	1,456	342	16,993	7,113
Property rental						
Hong Kong	7,509	5,597	1,630	1,252	9,139	6,849
Mainland China	624	422	-	-	624	422
	8,133	6,019	1,630	1,252	9,763	7,271
Hotel operation	1,162	179	465	116	1,627	295
Telecommunications	3,703	115	-	-	3,703	115
Other businesses	5,699	1,403	2,784	240	8,483	1,643
	<u>34,234</u>	<u>14,487</u>	<u>6,335</u>	<u>1,950</u>	<u>40,569</u>	<u>16,437</u>
Other income		316		-		316
Unallocated administrative expenses		(820)		-		(820)
Operating profit before change in fair value of investment properties		13,983		1,950		15,933
(Decrease)/increase in fair value of investment properties		(2,654)		326		(2,328)
Operating profit after change in fair value of investment properties		11,329		2,276		13,605
Net finance costs		(508)		(217)		(725)
Profit before taxation		10,821		2,059		12,880
Taxation						
- Group		(1,885)		-		(1,885)
- Associates		-		(21)		(21)
- Jointly controlled entities		-		(411)		(411)
Profit for the year		<u>8,936</u>		<u>1,627</u>		<u>10,563</u>

Other businesses comprise revenue and profit derived from other activities including property management, car parking and transport infrastructure management, toll road management, logistics business, construction, mortgage and other loan financing, internet infrastructure, enabling services, department store and container and cargo handling services.

Other income includes mainly investment income from equity and bonds investments.

(b) Geographical information

An analysis of the Group's revenue by geographical area of principle markets is as follows:

	2010	2009
Hong Kong	32,064	32,930
Mainland China	926	1,061
Others	221	243
	<u>33,211</u>	<u>34,234</u>

3. Net finance costs

	2010	2009
Interest expenses on		
Bank loans and overdrafts	489	682
Other loans wholly repayable within five years	53	97
Other loans not wholly repayable within five years	275	255
	<u>817</u>	<u>1,034</u>
Notional non-cash interest accretion	86	82
Less : Amount capitalized	(233)	(514)
	<u>670</u>	<u>602</u>
Interest income on bank deposits	(31)	(94)
	<u>639</u>	<u>508</u>

4. Profit before taxation

	2010	2009
Profit before taxation is arrived at		
after charging:		
Cost of properties sold	6,616	8,218
Cost of other inventories sold	495	435
Impairment loss of available-for-sale investments	-	232
Depreciation and amortization	952	949
Amortization of intangible assets (included in cost of sales)	326	324
Loss on disposal of financial assets at fair value through profit or loss	-	13
Fair value loss on financial assets at fair value through profit or loss	-	148
and crediting:		
Dividend income from listed and unlisted investments	98	215
Interest income from listed and unlisted debt securities	108	91
Profit on disposal of available-for-sale investments	88	319
Profit on disposal of financial assets at fair value through profit or loss	59	-
Fair value gains on financial assets at fair value through profit or loss	25	-

5. Taxation

	2010	2009
Current taxation		
Hong Kong profits tax	1,986	1,949
Under provision in prior years	6	29
	<u>1,992</u>	<u>1,978</u>
Tax outside Hong Kong	668	91
	<u>2,660</u>	<u>2,069</u>
Deferred taxation charge/(credit)		
Change in fair value of investment properties	3,730	(427)
Tax released on disposal of investment properties	(718)	-
Other origination and reversal of temporary differences	224	243
	<u>3,236</u>	<u>(184)</u>
	<u>5,896</u>	<u>1,885</u>

Hong Kong profits tax is provided at the rate of 16.5% (2009 : 16.5%) based on the estimated assessable profits for the year. Tax outside Hong Kong is calculated at the rates applicable in the relevant jurisdictions.

6. Earnings per share

(a) Reported earnings per share

The calculations of basic and diluted earnings per share are based on the Group's profit attributable to the Company's shareholders of HK\$28,043 million (2009: HK\$10,356 million) and on the weighted average number of shares in issue during the year of 2,565,240,040 (2009: 2,564,333,362).

No diluted earnings per share for the year ended 30 June 2010 and 30 June 2009 is presented as there are no potential ordinary shares.

(b) Underlying earnings per share

For the purpose of assessing the underlying performance of the Group, basic earnings per share is additionally calculated based on the underlying profit attributable to the Company's shareholders of HK\$13,883 million (2009: HK\$12,415 million), excluding the effect of fair value changes on investment properties. A reconciliation of profit is as follows:

	2010	2009
Profit attributable to the Company's shareholders as shown in the consolidated income statement	28,043	10,356
(Increase)/decrease in fair value of investment properties	(16,469)	2,654
Effect of corresponding deferred tax charges/(credits)	3,730	(427)
Realized fair value gains of investment properties disposed net of deferred tax	805	53
Realized fair value losses of investment properties held by jointly controlled entities disposed net of deferred tax	-	(8)
Share of increase in fair value of investment properties net of deferred tax of associates and jointly controlled entities	(2,489)	(187)
	(14,423)	2,085
Non-controlling interests	263	(26)
	(14,160)	2,059
Underlying profit attributable to the Company's shareholders	13,883	12,415

7. Debtors, prepayments and others

Considerations in respect of sold properties are payable by the purchasers pursuant to the terms of the sale and purchase agreements. Monthly rents in respect of leased properties are payable in advance by the tenants. Other trade debtors settle their accounts according to the payment terms as stated in the respective contracts.

Included in debtors, prepayments and others of the Group are trade debtors of HK\$5,228 million (2009: HK\$11,661 million), of which 92% (2009: 95%) are aged less than 60 days, 2% (2009: 1%) between 61 to 90 days and 6% (2009: 4%) more than 90 days.

8. Trade and other payables

Included in trade and other payables of the Group are trade creditors of HK\$1,489 million (2009: HK\$1,270 million), of which 59% (2009: 63%) are aged less than 60 days, 2% (2009: 3%) between 61 to 90 days and 39% (2009: 34%) more than 90 days.

FINANCIAL REVIEW

Review of Results

Underlying profit attributable to the Company's shareholders for the year, excluding the effect of fair value changes on investment properties, amounted to HK\$13,883 million, a rise of HK\$1,468 million or 11.8% compared to HK\$12,415 million in the previous year. Net rental income for the year amounted to HK\$8,314 million, increased by HK\$1,043 million or 14.3% over the last year, benefited from positive rental reversions as well as the contribution from ION Orchard shopping mall in Singapore. Profit from property sales recorded a slight decrease to HK\$6,616 million, owing to fewer luxury residential sales in Hong Kong recognized this year. Hotel and telecommunication segments contributed an operating profit of HK\$373 million and HK\$327 million, a robust increase of 26.4% and 1.8 times, respectively, over the last year, resulting from improvement in general business conditions.

Profit attributable to the Company's shareholders for the year ended 30 June 2010 was HK\$28,043 million, an increase of HK\$17,687 million or 1.7 times compared to HK\$10,356 million for the previous year. The reported profit has included an increase in fair value of investment properties net of related deferred taxation of HK\$14,965 million for the current year compared with a decrease of HK\$2,014 million for the previous year.

Financial Resources and Liquidity

(a) Net debt and gearing

The Company's shareholders' funds as at 30 June 2010 was HK\$245,078 million or HK\$95.4 per share compared to HK\$222,268 million or HK\$86.7 per share at the previous year end. The increase of HK\$22,810 million or 10.3% was mainly due to profit attributable to the Company's shareholders for the year of HK\$28,043 million, increase in the Company's equity of HK\$672 million in respect of shares issued for scrip dividends and mark-to-market gains of HK\$250 million on available-for-sale investments, offset in part by payment of HK\$6,539 million in dividends.

The Group's financial position remains strong with a low debt leverage and strong interest cover. Gearing ratio as at 30 June 2010, calculated on the basis of net debt to Company's shareholders' funds, was 15.2%, same as at 30 June 2009. Interest cover, measured by the ratio of operating profit to total net interest expenses including those capitalized, was 15.9 times compared to 13.7 times for the previous year.

As at 30 June 2010, the Group's gross borrowings totalled HK\$45,388 million. Net debt, after deducting cash and bank deposits of HK\$8,204 million, amounted to HK\$37,184 million. The maturity profile of the Group's gross borrowings is set out as follows:

	30 June 2010 <i>HK\$ Million</i>	30 June 2009 <i>HK\$ Million</i>
Repayable:		
Within one year	11,262	2,644
After one year but within two years	8,022	10,691
After two years but within five years	19,402	22,442
After five years	6,702	6,248
Total borrowings	45,388	42,025
Cash and bank deposits	8,204	8,143
Net debt	37,184	33,882

The Group has also procured substantial committed and undrawn banking facilities, most of which are arranged on a medium to long term basis, which helps minimize refinancing risk and provides the Group with strong financing flexibility.

With ample committed banking facilities in place, continuous cash inflow from property sales and a solid base of recurrent income, the Group has adequate financial resources for its funding requirements.

(b) *Treasury policies*

The entire Group's financing and treasury activities are centrally managed and controlled at the corporate level. As at 30 June 2010, about 80% of the Group's borrowings were raised through its wholly-owned finance subsidiaries and the remaining 20% through operating subsidiaries.

The Group's foreign exchange exposure was minimal given its large asset base and operational cash flow primarily denominated in Hong Kong dollars. As at 30 June 2010, about 78% of the Group's borrowings were denominated in Hong Kong dollars, 7% in US dollars and 15% in Renminbi. The foreign currency borrowings were mainly for financing property projects outside Hong Kong.

The Group's borrowings are principally arranged on a floating rate basis. For some of the fixed rate notes issued by the Group, interest rate swaps have been used to convert the rates to floating rate basis. As at 30 June 2010, about 84% of the Group's borrowings were on floating rate basis including those borrowings that were converted from fixed rate basis to floating rate basis and 16% were on fixed rate basis. The use of derivative instruments is strictly controlled and solely for management of the Group's underlying financial exposures for its core business operations. It is the Group's policy not to enter into derivative and structured product transactions for speculative purposes.

As at 30 June 2010, the Group had outstanding fair value hedges in respect of fixed-to-floating interest rate swaps in the aggregate amount of HK\$4,044 million, cash flow hedge in respect of a floating-to-fixed interest rate swap in the amount of HK\$100 million and currency swaps (to hedge principal repayment of USD borrowings) in the aggregate amount of HK\$452 million.

As at 30 June 2010, about 69% of the Group's cash and bank balances were denominated in Hong Kong dollars, 17% in United States dollars, 12% in Renminbi and 2% in other currencies.

Charges of Assets

As at 30 June 2010, certain bank deposits of the Group's subsidiary, Smartone, in the aggregate amount of HK\$340 million, were pledged for securing performance bonds related to 3G licence and some other guarantees issued by the banks. Additionally, certain assets of the Group's subsidiaries with an aggregate carrying value of HK\$16,441 million have been charged, majority of which were for securing their bank borrowings on the mainland. Except for the above charges, all the Group's assets are free from any encumbrances.

Contingent Liabilities

As at 30 June 2010, the Group had contingent liabilities in respect of guarantees for bank borrowings of joint venture companies and other guarantees in the aggregate amount of HK\$3,041 million (30 June 2009: HK\$2,835 million).

EMOLUMENT POLICY AND LONG TERM INCENTIVE SCHEMES OF THE GROUP

As at 30 June 2010, the Group employed more than 32,000 employees. The related employees' costs before reimbursements for the year amounted to approximately HK\$5,573 million. Compensation for the Group is made reference to the market, individual performance and contributions. Extensive use of bonuses to link performance with reward is adopted. The Group also provides a comprehensive benefit package and career development opportunities, including retirement schemes, medical benefits, and both internal and external training appropriate to individual needs.

A share option scheme is in place to provide appropriate long-term incentive of key staff of the Group. Details of the share option scheme of the Company are set out in the section headed "Share Option Schemes" of the Annual Report.

BASIS OF DETERMINING EMOLUMENT TO DIRECTORS

The same remuneration philosophy is applicable to the Directors of the Group. Apart from benchmarking against the market, the Company looks at individual competence, contributions and the affordability of the Company in determining the exact level of remuneration for each Director. Appropriate benefits schemes are in place for the Executive Directors, including the share option scheme, similar to those offered to other employees of the Group.

DIVIDEND

The Directors have decided to recommend the payment of a final dividend of HK\$1.85 per share in respect of the year ended 30 June 2010. The proposed final dividend, together with interim dividend of HK\$0.85 per share paid on 4 May 2010, will make a total distribution of HK\$2.70 per share for the year. The proposed final dividend, if approved at the forthcoming Annual General Meeting, will be paid on Monday, 6 December 2010 to the shareholders on the Register of Members as at Thursday, 2 December 2010.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Thursday, 25 November 2010 to Thursday, 2 December 2010 (both days inclusive). In order to establish entitlements to the proposed final 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 Nos. 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 24 November 2010.

ANNUAL GENERAL MEETING

The 2010 Annual General Meeting of the Company will be held on Thursday, 2 December 2010 and the Notice of Annual General Meeting will be published and despatched in the manner as required by the Listing Rules in due course.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's ordinary shares during the year ended 30 June 2010.

AUDIT COMMITTEE

The annual results for the year ended 30 June 2010 have been reviewed by the Audit Committee of the Company. The Group's consolidated financial statements have been audited by the Company's auditors, Deloitte Touche Tohmatsu, and they have issued an unqualified opinion.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

For the year ended 30 June 2010, the Company has complied with the code provisions in the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules, except that the Chairman of the Company did not attend the 2009 annual general meeting of the Company due to other commitment.

ANNUAL REPORT

The annual report containing all the financial and other related information of the Company required by the Listing Rules of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") will be published on the Stock Exchange's website and the Group's website www.shkp.com and copies will be sent to shareholders before the end of October 2010.

By Order of the Board
YUNG Sheung-tat, Sandy
Company Secretary

Hong Kong, 20 September 2010

As at the date hereof, the Board of Directors of the Company comprises seven Executive Directors, being KWOK Ping-kwong, Thomas, KWOK Ping-luen, Raymond, CHAN Kai-ming, CHAN Kui-yuen, Thomas, KWONG Chun, WONG Chik-wing, Mike and CHAN Kwok-wai, Patrick; seven Non-Executive Directors, being KWONG Siu-hing, LEE Shau-kee, KWOK Ping-sheung, Walter, WOO Po-shing (WOO Ka-biu, Jackson being his Alternate Director), KWAN Cheuk-yin, William, LO Chiu-chun, Clement and WONG Yick-kam, Michael; and four Independent Non-Executive Directors, being YIP Dicky Peter, WONG Yue-chim, Richard, LI Ka-cheung, Eric and FUNG Kwok-lun, William.