

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 2012 with comparative figures for 2011:-

Consolidated Income Statement For the year ended 30 June 2012

(Expressed in millions of Hong Kong dollars)

	Notes	2012	2011
Revenue	2(a)	68,400	62,553
Cost of sales		<u>(39,098)</u>	<u>(37,259)</u>
Gross profit		29,302	25,294
Other net income		532	574
Selling and marketing expenses		(2,887)	(2,498)
Administrative expenses		<u>(1,959)</u>	<u>(2,004)</u>
Operating profit before change in fair value of investment properties	2(a)	24,988	21,366
Increase in fair value of investment properties		<u>19,482</u>	<u>25,070</u>
Operating profit after change in fair value of investment properties		44,470	46,436
Finance costs		<u>(1,654)</u>	<u>(1,095)</u>
Finance income		<u>122</u>	<u>62</u>
Net finance costs	3	(1,532)	(1,033)
Share of results (including increase in fair value of investment properties net of deferred tax of HK\$3,816 million (2011 : HK\$4,696 million)) of:			
Associates		<u>256</u>	<u>171</u>
Jointly controlled entities		<u>5,899</u>	<u>10,573</u>
	2(a) & 6(b)	<u>6,155</u>	<u>10,744</u>
Profit before taxation	4	49,093	56,147
Taxation	5	<u>(5,284)</u>	<u>(7,359)</u>
Profit for the year	2(a)	43,809	48,788
Attributable to :			
Company's shareholders		43,080	48,097
Non-controlling interests		<u>729</u>	<u>691</u>
		<u>43,809</u>	<u>48,788</u>
Dividends			
Interim dividend paid at HK\$0.95 (2011 : HK\$0.95) per share		2,484	2,442
Final dividend proposed at HK\$2.40 (2011 : HK\$2.40) per share		<u>6,278</u>	<u>6,168</u>
		<u>8,762</u>	<u>8,610</u>
<i>(Expressed in Hong Kong dollars)</i>			
Earnings per share based on profit attributable to the Company's shareholders (reported earnings per share)	6(a)		
Basic and diluted		<u>\$16.63</u>	<u>\$18.71</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 and diluted		<u>\$8.37</u>	<u>\$8.36</u>

**Consolidated Statement of Comprehensive Income
For the year ended 30 June 2012**

(Expressed in millions of Hong Kong dollars)

	2012	2011
Profit for the year	43,809	48,788
Exchange difference on translating financial statements of foreign operations		
- exchange difference arising during the year	712	1,917
- exchange difference released on disposal of foreign operations	-	(47)
	712	1,870
Cash flow hedge:		
- fair value losses on effective hedging instruments	-	(1)
- fair value losses transferred to income statement	1	2
	1	1
Available-for-sale investments:		
- fair value (losses)/gains	(29)	475
- fair value gains transferred to income statement on disposal	(29)	(26)
	(58)	449
Share of other comprehensive income of associates and jointly controlled entities		
- exchange difference on translating financial statements of foreign operations	119	645
- fair value (losses)/gains on available-for-sale investments	(1)	3
	118	648
Other comprehensive income for the year	773	2,968
Total comprehensive income for the year	44,582	51,756
Total comprehensive income attributable to :		
Company's shareholders	43,792	50,916
Non-controlling interests	790	840
	44,582	51,756

Consolidated Statement of Financial Position
As at 30 June 2012

(Expressed in millions of Hong Kong dollars)

	Notes	2012	2011
Non-current assets			
Investment properties		233,867	212,863
Fixed assets		18,591	17,896
Associates		3,825	3,249
Jointly controlled entities		45,690	38,686
Loan receivables		587	275
Other financial assets		3,522	3,362
Intangible assets		4,699	5,049
		<u>310,781</u>	<u>281,380</u>
Current assets			
Properties for sale		117,144	98,861
Inventories		437	479
Debtors, prepayments and others	7	24,159	23,453
Other financial assets		711	1,126
Bank deposits and cash		14,338	7,898
		<u>156,789</u>	<u>131,817</u>
Current liabilities			
Bank and other borrowings		(9,801)	(9,682)
Trade and other payables	8	(22,256)	(20,452)
Deposits received on sales of properties		(3,120)	(3,525)
Taxation		(6,750)	(5,141)
		<u>(41,927)</u>	<u>(38,800)</u>
Net current assets		<u>114,862</u>	<u>93,017</u>
Total assets less current liabilities		<u>425,643</u>	<u>374,397</u>
Non-current liabilities			
Bank and other borrowings		(61,465)	(50,753)
Deferred taxation		(12,451)	(10,610)
Other long-term liabilities		(768)	(839)
		<u>(74,684)</u>	<u>(62,202)</u>
NET ASSETS		<u>350,959</u>	<u>312,195</u>
CAPITAL AND RESERVES			
Share capital		1,308	1,285
Share premium and reserves		345,251	305,680
Shareholders' funds		<u>346,559</u>	<u>306,965</u>
Non-controlling interests		<u>4,400</u>	<u>5,230</u>
TOTAL EQUITY		<u>350,959</u>	<u>312,195</u>

Notes to the Financial Statements

(Expressed in millions of Hong Kong dollars)

1. Basis of Preparation and Principal Accounting Policies

(a) 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 2011, except for the changes set out below.

(b) Changes in accounting policies

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 2011.

HKFRSs (Amendments)	Improvements to HKFRSs 2010 ¹
HKAS 24 (Revised)	Related party disclosures ²
HKFRS 7 (Amendment)	Disclosures – transfers of financial assets ³ Transfers of financial assets ³
HK (IFRIC) - INT 14 (Amendment)	Prepayments of a minimum funding requirement ²

¹ Amendments that are effective for annual periods beginning on or after 1 January 2011

² Effective for annual periods beginning on or after 1 January 2011

³ Effective for annual periods beginning on or after 1 July 2011

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

Up to the date of approval for the issuance of the consolidated financial statements, the HKICPA has issued a number of new and revised standards, amendments and interpretations which are not yet effective for the year. These include the following which may be relevant to the Group.

Amendments to HKFRSs	Annual improvements to HKFRSs 2009-2011 Cycle ⁵
HKAS 1 (Amendments)	Presentation of items of other comprehensive income ⁴
HKAS 19 (as revised in 2011)	Employee benefits ⁵
HKAS 27 (as revised in 2011)	Separate financial statements ⁵
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures ⁵
Amendments to HKAS 32	Offsetting financial assets and financial liabilities ⁶
Amendments to HKFRS 7	Disclosures - offsetting financial assets and financial liabilities ⁵
Amendments to HKFRS 7 and HKFRS 9	Mandatory effective date of HKFRS 9 and transition disclosures ⁷
HKFRS 9	Financial instruments ⁷
HKFRS 10	Consolidated financial statements ⁵
HKFRS 11	Joint arrangements ⁵
HKFRS 12	Disclosure of interests in other entities ⁵
HKFRS 13	Fair value measurement ⁵

⁴ Effective for annual periods beginning on or after 1 July 2012

⁵ Effective for annual periods beginning on or after 1 January 2013

⁶ Effective for annual periods beginning on or after 1 January 2014

⁷ Effective for annual periods beginning on or after 1 January 2015

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 central administration costs, other net 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 reportable and operating segments is as follows:

For the year ended 30 June 2012

	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	35,044	12,504	209	114	35,253	12,618
Mainland China	878	293	820	118	1,698	411
Singapore	-	-	81	45	81	45
	35,922	12,797	1,110	277	37,032	13,074
Property rental						
Hong Kong	9,925	7,625	2,260	1,881	12,185	9,506
Mainland China	1,496	1,007	118	96	1,614	1,103
Singapore	-	-	645	460	645	460
	11,421	8,632	3,023	2,437	14,444	11,069
Hotel operation	3,089	827	631	205	3,720	1,032
Telecommunications	9,952	1,385	-	-	9,952	1,385
Transportation, infrastructure and logistics	3,275	936	2,619	161	5,894	1,097
Other businesses	4,741	984	278	20	5,019	1,004
	<u>68,400</u>	<u>25,561</u>	<u>7,661</u>	<u>3,100</u>	<u>76,061</u>	<u>28,661</u>
Other net income		532		-		532
Unallocated administrative expenses		(1,105)		-		(1,105)
Operating profit before change in fair value of investment properties		24,988		3,100		28,088
Increase in fair value of investment properties		19,482		3,873		23,355
Operating profit after change in fair value of investment properties		44,470		6,973		51,443
Net finance costs		(1,532)		(206)		(1,738)
Profit before taxation		42,938		6,767		49,705
Taxation						
- Group		(5,284)		-		(5,284)
- Associates		-		(21)		(21)
- Jointly controlled entities		-		(591)		(591)
Profit for the year		<u>37,654</u>		<u>6,155</u>		<u>43,809</u>

For the year ended 30 June 2011

	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	32,245	10,756	5,752	2,882	37,997	13,638
Mainland China	3,985	888	524	100	4,509	988
Singapore	-	-	3,972	2,021	3,972	2,021
	36,230	11,644	10,248	5,003	46,478	16,647
Property rental						
Hong Kong	8,824	6,680	1,988	1,599	10,812	8,279
Mainland China	1,054	725	104	72	1,158	797
Singapore	-	-	639	435	639	435
	9,878	7,405	2,731	2,106	12,609	9,511
Hotel operation	2,055	362	539	191	2,594	553
Telecommunications	6,631	967	-	-	6,631	967
Transportation, infrastructure and logistics	3,194	830	2,532	115	5,726	945
Other businesses	4,565	868	214	38	4,779	906
	<u>62,553</u>	<u>22,076</u>	<u>16,264</u>	<u>7,453</u>	<u>78,817</u>	<u>29,529</u>
Other net income		574		-		574
Unallocated administrative expenses		(1,284)		-		(1,284)
Operating profit before change in fair value of investment properties		21,366		7,453		28,819
Increase in fair value of investment properties		25,070		4,795		29,865
Operating profit after change in fair value of investment properties		46,436		12,248		58,684
Net finance costs		(1,033)		(166)		(1,199)
Profit before taxation		45,403		12,082		57,485
Taxation						
- Group		(7,359)		-		(7,359)
- Associates		-		(28)		(28)
- Jointly controlled entities		-		(1,310)		(1,310)
Profit for the year		<u>38,044</u>		<u>10,744</u>		<u>48,788</u>

Other businesses comprise revenue and profit derived from other activities including property management, construction, mortgage and other loan financing, internet infrastructure, enabling services and department store.

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

(b) Geographical information

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

	2012	2011
Hong Kong	65,270	56,959
Mainland China	2,770	5,312
Others	360	282
	<u>68,400</u>	<u>62,553</u>

3. Net Finance Costs

	2012	2011
Interest expenses on		
Bank loans and overdrafts	1,175	811
Other loans wholly repayable within five years	357	117
Other loans not wholly repayable within five years	416	302
	<u>1,948</u>	<u>1,230</u>
Notional non-cash interest accretion	101	97
Less : Amount capitalized	(395)	(232)
	<u>1,654</u>	<u>1,095</u>
Interest income on bank deposits	(122)	(62)
	<u>1,532</u>	<u>1,033</u>

4. Profit before Taxation

	2012	2011
Profit before taxation is arrived at		
after charging:		
Cost of properties sold	21,449	23,147
Cost of other inventories sold	4,189	1,905
Depreciation and amortization	1,188	1,039
Amortization of intangible assets (included in cost of sales)	350	335
Operating lease rentals for land and buildings, transmission sites and leased lines	1,072	969
Staff costs (including directors' emoluments and retirement schemes contributions)	5,054	4,471
Share-based payments	114	77
Impairment loss of available-for-sale investments	23	-
Fair value losses on financial assets at fair value through profit or loss	83	-
Loss on disposal of fixed assets	-	23
and crediting:		
Dividend income from listed and unlisted investments	132	99
Interest income from listed and unlisted debt securities	79	93
Profit on disposal of available-for-sale investments	65	88
Profit on disposal of financial assets at fair value through profit or loss	-	13
Fair value gains on financial assets at fair value through profit or loss	-	98
Profit on disposal of fixed assets	17	-

5. Taxation

	2012	2011
Current taxation		
Hong Kong profits tax	3,313	2,608
Under provision in prior years	17	1,115
	<u>3,330</u>	<u>3,723</u>
Tax outside Hong Kong	275	503
	<u>3,605</u>	<u>4,226</u>
Deferred taxation charge		
Change in fair value of investment properties	1,156	2,682
Other origination and reversal of temporary differences	523	451
	<u>1,679</u>	<u>3,133</u>
	<u>5,284</u>	<u>7,359</u>

Hong Kong profits tax is provided at the rate of 16.5% (2011 : 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.

During the year ended 30 June 2011, a settlement agreement was reached with Inland Revenue Department in respect of the tax assessments for certain subsidiaries of the Group for certain prior years and a total sum HK\$1,115 million was recognized by the Group for this settlement.

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\$43,080 million (2011 : HK\$48,097 million).

The basic earnings per share is based on the weighted average number of shares in issue during the year of 2,590,366,413 (2011 : 2,570,039,181). The diluted earnings per share is based on 2,590,524,743 (2011 : 2,570,556,026) shares which is the weighted average number of shares in issue during the year plus the weighted average number of 158,330 (2011 : 516,845) shares deemed to be issued at no consideration if all outstanding options had been exercised.

(b) Underlying earnings per share

For the purpose of assessing the underlying performance of the Group, basic and diluted earnings per share are additionally calculated based on the underlying profit attributable to the Company's shareholders of HK\$21,678 million (2011: HK\$21,479 million), excluding the net effect of changes in the valuation of investment properties. A reconciliation of profit is as follows:

	2012	2011
Profit attributable to the Company's shareholders as shown in the consolidated income statement	<u>43,080</u>	<u>48,097</u>
Increase in fair value of investment properties	(19,482)	(25,070)
Effect of corresponding deferred tax charges	1,156	2,682
Realized fair value gains of investment properties disposed net of deferred tax	674	378
Share of results of associates and jointly controlled entities		
- fair value gains of investment properties	(3,873)	(4,795)
- effect of corresponding deferred tax charges	<u>57</u>	<u>99</u>
	(21,468)	(26,706)
Non-controlling interests	<u>66</u>	<u>88</u>
Net effect of changes in the valuation of investment properties	<u>(21,402)</u>	<u>(26,618)</u>
Underlying profit attributable to the Company's shareholders	<u>21,678</u>	<u>21,479</u>

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 rent 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\$12,846 million (2011 HK\$13,713 million), of which 94% (2011: 97%) are aged less than 60 days, 1% (2011: 1%) between 61 to 90 days and 5% (2011: 2%) more than 90 days.

8. Trade and Other Payables

Included in trade and other payables of the Group are trade creditors of HK\$2,283 million (2011: HK\$2,179 million), of which 72% (2011: 68%) are aged less than 60 days, 2% (2011: 2%) between 61 to 90 days and 26% (2011: 30%) more than 90 days.

FINANCIAL REVIEW

Review of Results

Profit attributable to the Company's shareholders for the year ended 30 June 2012 was HK\$43,080 million, a decrease of HK\$5,017 million or 10.4% compared to HK\$48,097 million for the last year. The reported profit has included an increase in fair value of investment properties net of related deferred taxation and non-controlling interests of HK\$22,076 million (2011: HK\$26,996 million).

Underlying profit attributable to the Company's shareholders for the year ended 30 June 2012, excluding the net effect of fair value changes in the valuation of investment properties, increased by HK\$199 million or 0.9% to HK\$21,678 million compared to HK\$21,479 million for the last year. Net rental income grew 16.4% to HK\$11,069 million, boosted primarily by sustained positive rental reversions as well as increased contribution from the newly completed investment properties including ICC office in Hong Kong, Shanghai IFC and first phase of Shanghai ICC on the mainland. Profit from property sales decreased by HK\$3,573 million to HK\$13,074 million, mostly owing to the absence of the one-off contribution from The Orchard Residences in Singapore in last year. Telecommunication segment contributed an operating profit of HK\$1,385 million, a significant increase of HK\$418 million or 43.2% over the last year, on the back of continuous strong growth in service revenue which was driven by both increasing usage of data services and number of customer. Hotel profit increased impressively by 86.6% to HK\$1,032 million, driven by resilient inbound tourism as well as full year contribution from the two newly completed hotels, The Ritz Carlton, Hong Kong and The Ritz Carlton Shanghai, Pudong.

Financial Resources and Liquidity

(a) Net debt and gearing

As at 30 June 2012, the Company's shareholders' funds increased by HK\$39,594 million to HK\$346,559 million, equivalent to an increase of 12.9% to HK\$132.5 per share (30 June 2011: HK\$119.4 per share).

The Group's financial position remains strong with a low debt leverage and strong interest cover. Gearing ratio as at 30 June 2012, calculated on the basis of net debt to Company's shareholders' funds, was 16.4% compared to 17.1% at 30 June 2011. Interest cover, measured by the ratio of operating profit to total net interest expenses including those capitalized, was 13.0 times compared to 16.9 times for the previous year.

As at 30 June 2012, the Group's gross borrowings totalled HK\$71,266 million. Net debt, after deducting bank deposits and cash of HK\$14,338 million, amounted to HK\$56,928 million, an increase of HK\$4,391 million since 30 June 2011. The maturity profile of the Group's gross borrowings is set out as follows:

	30 June 2012 <i>HK\$ Million</i>	30 June 2011 <i>HK\$ Million</i>
Repayable:		
Within one year	9,801	9,682
After one year but within two years	8,799	23,334
After two years but within five years	37,493	17,916
After five years	15,173	9,503
Total bank and other borrowings	71,266	60,435
Bank deposits and cash	14,338	7,898
Net debt	56,928	52,537

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 2012, about 80% of the Group's bank and other 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 2012, about 62% of the Group's bank and other borrowings were denominated in Hong Kong dollars, 20% in US dollars and 18% in Renminbi. The foreign currency borrowings were mainly for financing property projects outside Hong Kong.

The Group's bank and other 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 2012, about 66% of the Group's bank and other borrowings were on floating rate basis including those borrowings that were converted from fixed rate basis to floating rate basis and 34% 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 2012, the Group had outstanding fair value hedges in respect of fixed-to-floating interest rate swaps in the aggregate notional principal amount of HK\$4,273 million and currency swaps (to hedge principal repayment of foreign currency borrowings) in the aggregate notional principal amount of HK\$4,510 million.

As at 30 June 2012, about 44% of the Group's bank deposits and cash were denominated in United States dollars, 35% in Hong Kong dollars, 20% in Renminbi and 1% in other currencies.

Charges of Assets

As at 30 June 2012, certain bank deposits of the Group's subsidiary, Smartone, in the aggregate amount of HK\$9 million, were pledged for securing guarantees issued by the banks. Additionally, certain assets of the Group's subsidiaries with an aggregate carrying value of HK\$22,362 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 2012, 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\$1,239 million (30 June 2011: HK\$1,650 million).

EMOLUMENT POLICY AND LONG TERM INCENTIVE SCHEMES OF THE GROUP

As at 30 June 2012, the Group employed more than 35,000 employees. The related employees' costs before reimbursements for the year amounted to approximately HK\$7,114 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 Company. 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 Board of Directors has decided to recommend the payment of a final dividend of HK\$2.40 per share (2011: HK\$2.40 per share) for the year ended 30 June 2012. Including the interim dividend of HK\$0.95 per share paid on 27 April 2012, the total dividend for the year ended 30 June 2012 amounts to HK\$3.35 per share (2011: HK\$3.35 per share).

The proposed final dividend, if approved at the forthcoming annual general meeting of the Company (the "2012 Annual General Meeting"), will be payable in cash, with an option for the shareholders of the Company (the "Shareholders") to receive new and fully paid shares of nominal value of HK\$0.50 each in the share capital of the Company in lieu of cash, or partly in cash or partly in shares under the scrip dividend scheme (the "Scrip Dividend Scheme"). A circular containing details of the Scrip Dividend Scheme and the relevant election form are expected to be sent to the Shareholders on or about Wednesday, 28 November 2012.

The Scrip Dividend Scheme is conditional upon the passing of the resolution relating to the payment of final dividend at the 2012 Annual General Meeting and the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the new shares to be issued under the Scrip Dividend Scheme.

Final dividend will be distributed, and the share certificates issued under the Scrip Dividend Scheme will be sent on or about Thursday, 20 December 2012 to the Shareholders whose names appear on the register of members of the Company on Friday, 23 November 2012.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods:

- (i) from Monday, 12 November 2012 to Thursday, 15 November 2012, both days inclusive, for the purpose of ascertaining Shareholders' entitlement to attend and vote at the 2012 Annual General Meeting. In order to be eligible to attend and vote at the 2012 Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at Shops Nos. 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 9 November 2012; and
- (ii) from Wednesday, 21 November 2012 to Friday, 23 November 2012, both days inclusive, for the purpose of ascertaining Shareholders' entitlement to the proposed final dividend. In order to establish entitlements to the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at the address as set out in sub-paragraph (i) above not later than 4:30 p.m. on Tuesday, 20 November 2012.

During the periods mentioned in sub-paragraphs (i) and (ii) above, no transfers of shares will be registered.

ANNUAL GENERAL MEETING

The 2012 Annual General Meeting will be held on Thursday, 15 November 2012 and the Notice of 2012 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 2012.

AUDIT COMMITTEE

The annual results for the year ended 30 June 2012 have been reviewed by the Audit Committee of the Company. The Group's consolidated financial statements have been audited by the Company's auditor, Deloitte Touche Tohmatsu, and they have issued an unqualified opinion.

COMPLIANCE WITH THE CORPORATE GOVERNANCE

The Company complied with the code provisions of the Code on Corporate Governance Practices (the “Former Code”) during the period from 1 July 2011 to 31 March 2012 and of the new Corporate Governance Code (the “New Code”) as set out in Appendix 14 to the Listing Rules during the period from 1 April 2012 to 30 June 2012, except for the following deviations:-

- (1) Messrs. KWOK Ping-kwong, Thomas and KWOK Ping-luen, Raymond were appointed as joint Chairmen with effect from the closure of the annual general meeting of the Company held on 8 December 2011 (the “2011 Annual General Meeting”) and continue to serve as joint Managing Directors. This was at variance with code provision A.2.1 of the Former Code and the New Code, which provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Although the positions of chairman and managing director are not separate, the powers and authorities have not been concentrated as the responsibilities have been shared by two individuals, namely the two joint Chairmen and Managing Directors. Besides, all major decisions have been made in consultation with members of the Board and appropriate Board committees, as well as top management. In addition, there are six Independent Non-Executive Directors and five Non-Executive Directors on the Board offering their experience, expertise, independent advice and views from different perspectives. The Board is therefore of the view that there are adequate balance of power and safeguards in place; and
- (2) the former Chairman did not attend the 2011 Annual General Meeting due to other commitment.

ANNUAL REPORT

The 2011/12 annual report containing all the financial and other related information of the Company required by the Listing Rules will be published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.shkp.com, and printed copies of the annual report will be sent to the Shareholders before the end of October 2012.

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

Hong Kong, 13 September 2012

As at the date hereof, the Board of Directors of the Company comprises seven Executive Directors, being KWOK Ping-kwong, Thomas (Chairman & Managing Director)(KWOK Kai-fai, Adam being his Alternate Director), KWOK Ping-luen, Raymond (Chairman & Managing Director) (KWOK Ho-lai, Edward being his Alternate Director), WONG Chik-wing, Mike (Deputy Managing Director), LUI Ting, Victor (Deputy Managing Director), CHAN Kui-yuen, Thomas, KWONG Chun and CHAN Kwok-wai, Patrick (Chief Financial Officer); five Non-Executive Directors, being LEE Shau-kee (Vice Chairman), KWOK Ping-sheung, Walter, WOO Po-shing (WOO Ka-biu, Jackson being his Alternate Director), KWAN Cheuk-yin, William and WONG Yick-kam, Michael; and six Independent Non-Executive Directors, being YIP Dicky Peter, WONG Yue-chim, Richard, LI Ka-cheung, Eric, FUNG Kwok-lun, William, LEUNG Nai-pang, Norman and LEUNG Kui-king, Donald.