SHUN TAK HOLDINGS LIMITED

信 德 集 團 有 限 公 司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 242)

website: http://www.shuntakgroup.com

2007 Annual Results Announcement

GROUP RESULTS

The Group's audited profit attributable to equity holders of the Company for the year ended 31 December 2007 amounted to HK$1,013.5 million, an increase of approximately 52.7% over 2006 profit of HK$663.9 million. Basic earnings per share were HK 45.7 cents (2006: HK 31.0 cents).

DIVIDENDS

A final dividend of HK 7.0 cents (2006: HK 8.0 cents) per share has been proposed. In addition to the interim dividend of HK 7.0 cents (2006: HK 4.5 cents) per share previously paid, the total dividends for the year amounted to HK 14.0 cents (2006: HK 12.5 cents) per share.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December

	Note	**2007** *(HK$'000)*	2006 *(HK$'000)*
Turnover	3	**3,318,137**	2,508,804
Other revenues		**253,357**	263,192
Other income		**15,958**	34,395
		3,587,452	2,806,391
Cost of inventories sold or consumed		**(1,097,510)**	(670,283)
Staff costs		**(670,343)**	(601,370)
Depreciation and amortisation		**(140,551)**	(136,758)
Other costs		**(975,107)**	(878,975)
Fair value changes on investment properties		**121,283**	62,065
Operating profit	3,4	**825,224**	581,070
Excess of interest in fair value of net assets acquired over cost of acquisition of subsidiaries		**291,177**	22,689
Finance costs	5	**(61,145)**	(47,866)
Share of results of associates		**283,298**	400,513
Share of results of jointly controlled entities		**22,533**	(17,598)
Profit before taxation		**1,361,087**	938,808
Taxation	6	**(99,279)**	(56,831)
Profit after taxation		**1,261,808**	881,977
Attributable to:			
Equity holders of the Company		**1,013,548**	663,916
Minority interests		**248,260**	218,061
		1,261,808	881,977
Dividends		**316,298**	278,534
Earnings per share (HK cents)	7		
— basic		**45.7**	31.0
— diluted		**43.9**	29.7

CONSOLIDATED BALANCE SHEET

At 31 December

	Note	**2007** *(HK$'000)*	2006 *(HK$'000)*
Non-current assets			
Property, plant and equipment		**1,252,893**	972,843
Investment properties		**3,311,364**	2,988,264
Leasehold land		**1,312,107**	598,188
Associates		**237,214**	210,770
Jointly controlled entities		**975,236**	962,186
Intangible assets		**366,685**	4,328
Available-for-sale investments		**1,530,894**	1,279,770
Mortgage loans receivable		**38,931**	82,158
Deferred tax assets		**9,526**	16,237
Other non-current assets		**573,159**	803,649
		9,608,009	7,918,393
Current assets			
Properties for or under development		**10,775,322**	1,071,824
Inventories		**784,231**	224,346
Trade receivables, other receivables and deposits paid	8	**1,528,798**	870,417
Available-for-sale investments		**20,882**	25,260
Derivative financial instruments		**32,608**	—
Taxation recoverable		**926**	2,779
Bank deposits, cash and bank balances		**3,564,534**	3,427,514
		16,707,301	5,622,140
Current liabilities			
Bank borrowings		**3,216,982**	91,742
Trade and other payables	8	**1,065,379**	634,005
Deposits received on sale of properties		**668,863**	—
Derivative financial instruments		**—**	26,141
Provision for employee benefits		**27,314**	27,654
Taxation payable		**191,848**	34,432
		5,170,386	813,974
Net current assets		**11,536,915**	4,808,166
Total assets less current liabilities		**21,144,924**	12,726,559

	Note	**2007** *(HK$'000)*	2006 *(HK$'000)*
Non-current liabilities			
Bank borrowings		**2,992,500**	834,982
Deferred tax liabilities		**1,253,499**	180,490
Loans from minority shareholders		**1,515,795**	974,314
		5,761,794	1,989,786
Net assets		**15,383,130**	10,736,773
Equity			
Share capital		**582,077**	547,628
Reserves		**12,292,356**	8,030,269
Proposed dividends		**164,072**	175,241
Equity attributable to equity holders of the Company		**13,038,505**	8,753,138
Minority interests		**2,344,625**	1,983,635
Total equity		**15,383,130**	10,736,773

NOTES TO THE FINANCIAL STATEMENTS

Note 1 Statement of Compliance

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRSs, which also include Hong Kong Accounting Standards (HKASs) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong, and the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Note 2 Impact of Revised Hong Kong Financial Reporting Standards

a) The adoption of HKFRS 7 has expanded the disclosures to enable users of the financial statements to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments.

   The adoption of HKAS 1 (Amendment) introduces new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital.

   Both HKFRS 7 and HKAS 1 (Amendment) do not have any material impact on the classification, recognition and measurement of the amounts recognised in the financial instruments.

   The adoption of HK(IFRIC) - Ints 8, 9 and 10 has no impact on the Group's results of operations and financial position.

b) The Group has not early applied the following new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

		Effective for accounting periods beginning on or after
HK(IFRIC)-Int 11	HKFRS 2 — Group and Treasury Share Transactions	1 March 2007
HK(IFRIC)-Int 12	Service Concession Arrangements	1 January 2008
HK(IFRIC)-Int 13	Customer Loyalty Programmes	1 July 2008
HK(IFRIC)-Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction	1 January 2008
HKAS 1 (Revised)	Presentation of Financial Statements	1 January 2009
HKAS 23 (Revised)	Borrowing Costs	1 January 2009
HKAS 27 (Revised)	Consolidated and Separate Financial Statements	1 July 2009
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations	1 January 2009
HKFRS 3 (Revised)	Business Combinations	1 July 2009
HKFRS 8	Operating Segments	1 January 2009

Note 3 Segment Information

Business segments

2007

	Transportation (HK$'000)	Property (HK$'000)	Hospitality (HK$'000)	Investment and others (HK$'000)	Eliminations (HK$'000)	Consolidated (HK$'000)
Turnover and revenue						
External turnover	2,011,135	846,425	367,939	92,638	—	3,318,137
Inter-segment turnover	208,186	2,880	38,243	—	(249,309)	—
Other revenues	79,762	1,266	2,532	30,485	—	114,045
	2,299,083	850,571	408,714	123,123	(249,309)	3,432,182
Segment results	259,177	286,881	43,080	81,006	—	670,144
Fair value changes on investment properties	—	121,283	—	—	—	121,283
Unallocated income						3,671
Unallocated expense						(109,186)
Interest income						139,312
Operating profit						825,224
Excess of interest in fair value of net assets acquired over cost of acquisition of subsidiaries	—	291,098	79	—	—	291,177
Finance costs						(61,145)
Share of results of associates	1,545	224,980	54,834	1,939	—	283,298
Share of results of jointly controlled entities	4,455	18,881	(803)	—	—	22,533
Profit before taxation						1,361,087
Taxation						(99,279)
Profit after taxation						1,261,808
Assets						
Segment assets	2,839,913	18,290,198	1,044,267	1,682,550	(57,685)	23,799,243
Associates	5,111	2,674	228,637	792	—	237,214
Jointly controlled entities	29,124	946,873	(761)	—	—	975,236
Unallocated assets						1,303,617
Total assets						26,315,310
Liabilities						
Segment liabilities	404,207	1,860,822	152,111	11,329	(57,685)	2,370,784
Unallocated liabilities						8,561,396
Total liabilities						10,932,180
Other information						
Capital expenditure	35,729	11,265	347,685	1,305		
Depreciation	113,366	6,055	3,783	1,844		
Amortisation						
— leasehold land	2,976	181	10,417	—		
— intangible assets	—	—	—	296		
Impairment losses on receivables	—	455	278	—		

2006

	Transportation (HK$'000)	Property (HK$'000)	Hospitality (HK$'000)	Investment and others (HK$'000)	Eliminations (HK$'000)	Consolidated (HK$'000)
Turnover and revenue						
External turnover	1,798,201	298,640	291,234	120,729	—	2,508,804
Inter-segment turnover	141,119	2,096	32,803	—	(176,018)	—
Other revenues	67,029	933	696	40,833	—	109,491
	2,006,349	301,669	324,733	161,562	(176,018)	2,618,295
Segment results	236,721	84,024	26,834	102,119	—	449,698
Fair value changes on investment properties	—	62,065	—	—	—	62,065
Unallocated income						3,759
Unallocated expense						(88,153)
Interest income						153,701
Operating profit						581,070
Excess of interest in fair value of net assets acquired over cost of acquisition of a subsidiary	—	22,689	—	—	—	22,689
Finance costs						(47,866)
Share of results of associates	412	347,835	50,750	1,516	—	400,513
Share of results of jointly controlled entities	5,789	(23,713)	—	326	—	(17,598)
Profit before taxation						938,808
Taxation						(56,831)
Profit after taxation						881,977
Assets						
Segment assets	2,541,762	5,850,554	692,532	1,435,121	(33,726)	10,486,243
Associates	3,566	546	205,311	1,347	—	210,770
Jointly controlled entities	24,540	958,179	(20,533)	—	—	962,186
Unallocated assets						1,881,334
Total assets						13,540,533
Liabilities						
Segment liabilities	359,223	446,868	59,617	18,476	(33,726)	850,458
Unallocated liabilities						1,953,302
Total liabilities						2,803,760
Other information						
Capital expenditure	50,985	25,051	82,729	6,767		
Depreciation	112,510	4,472	4,218	1,004		
Amortisation of						
— leasehold land	2,976	179	10,417	—		
— intangible assets	—	—	—	89		
Impairment losses on						
— goodwill	—	2,275	—	—		
— receivables	—	52	1,991	—		

Geographical segments

	Hong Kong *(HK$'000)*	Macau *(HK$'000)*	Others *(HK$'000)*	Consolidated *(HK$'000)*
2007				
Turnover and revenue	**1,751,226**	**1,438,993**	**241,963**	**3,432,182**
Segment assets	**10,876,022**	**14,696,038**	**743,250**	**26,315,310**
Capital expenditure	**385,800**	**12,016**	**194**	
2006				
Turnover and revenue	1,312,638	1,118,150	187,507	2,618,295
Segment assets	8,891,719	4,049,286	599,528	13,540,533
Capital expenditure	155,958	15,566	1,680	

Note 4 Operating Profit

	2007 *(HK$'000)*	2006 *(HK$'000)*
After crediting:		
Interest income	**144,992**	166,810
Rental income from investment properties	**141,405**	138,551
Less: Direct operating expenses arising from investment properties	**(11,257)**	(17,087)
	130,148	121,464
Dividend income from investments	**76,564**	113,107
Net gain transferred from equity for available-for-sale investments on disposal of listed investments	**13,632**	11,032
After charging:		
Cost of inventories		
— properties	**341,529**	29,019
— others	**755,981**	641,264
	1,097,510	670,283

Note 5 Finance Costs

	2007 *(HK$'000)*	2006 *(HK$'000)*
Interest on bank loans and overdraft wholly repayable within 5 years	**62,391**	53,412
Interest on bank loans not wholly repayable within 5 years	**6,287**	132
Interest on loans from minority shareholders	**7,423**	1,266
Total interest expenses on financial liabilities not at fair value through profit or loss	**76,101**	54,810
Less: Amount capitalised in properties under development	**(14,956)**	(6,944)
	61,145	47,866

Note 6 Taxation

	2007 *(HK$'000)*	2006 *(HK$'000)*
Company and subsidiaries		
Hong Kong profits tax	**61,153**	32,839
Overseas tax	**31,547**	3,866
Deferred tax	**6,579**	20,126
	99,279	56,831

Hong Kong profits tax is provided for at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits for the year. 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 7 Earnings per Share

The calculation of basic earnings per share is based on profit attributable to equity holders of the Company of HK$1,013,548,000 (2006: HK$663,916,000) and the weighted average number of 2,218,420,201 shares (2006: 2,144,226,359 shares) in issue during the year. The calculation of diluted earnings per share is based on profit attributable to equity holders of the Company of HK$1,013,548,000 (2006: HK$663,916,000) and the weighted average number of 2,306,385,218 shares (2006: 2,232,941,133 shares) in issue after adjusting for the effects of all dilutive potential ordinary shares.

Note 8 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 ageing analysis of trade debtors is as follows:

	2007 *(HK$'000)*	2006 *(HK$'000)*
0 — 30 days	**144,702**	124,773
31 — 60 days	**67,928**	33,950
61 — 90 days	**131,052**	8,352
over 90 days	**22,002**	15,636
	365,684	182,711

The ageing analysis of trade creditors is as follows:

	2007 *(HK$'000)*	2006 *(HK$'000)*
0 — 30 days	**505,465**	191,385
31 — 60 days	**7,712**	2,057
61 — 90 days	**1,367**	942
over 90 days	**26,923**	10,115
	541,467	204,499

BUSINESS REVIEW

Transportation

As a result of the regional dynamic economic growth and new evolving attractions in the Pearl River Delta region ("PRD"), Shun Tak-China Travel Shipping Investments Limited ("STCTS") operating under the trade name "TurboJET" recorded a 15% increase in passenger volume in 2007 to over 14 million passengers, including a record high of approximately 12.8 million passengers on its Hong Kong-Macau route. Sailing frequency registered its highest levels during the 2007 Chinese New Year holidays, with up to 356 trips in a single day. With the increased revenue, the transportation division recorded an approximately 9% year-on-year growth in operating profit to HK$259 million for the year ended 31 December 2007 (2006: HK$237 million), despite high fuel prices.

In July 2007, TurboJET co-operated with Shenzhen Xunlong Shipping Company to launch a new Macau-Shekou ferry service route to increase connectivity between Macau and the PRD region.

The TurboJET Sea Express service which connects the Hong Kong International Airport and several key destinations in the PRD, including the airports in Macau and Shenzhen, continues to be increasingly popular with travelers. The service enables passengers to transit conveniently without Hong Kong customs and immigration formalities. For further convenience of overseas-bound passengers, upstream airline check-in service was introduced at the ferry terminals in Macau and Shenzhen for people departing from the Hong Kong International Airport.

STCTS, the Group's shipping division and one of the largest high-speed ferry operators in Asia, celebrated its 45th anniversary of service in 2007. It sustains market leadership on the popular Hong Kong-Macau route, a position that it has held for more than four decades. STCTS owns a fleet of 32 vessels and is the only operator offering 24-hour ferry services between Hong Kong and Macau.

On land, Shun Tak & CITS Coach (Macao) Limited, which operates coach service within Macau and cross-boundary to several major cities in the Guangdong Province, currently has almost tripled its operating fleet to approximately 100 vehicles since end of December 2006. The coach operation recorded approximately 12 times last year's profits resulting from the opening of new attractions in Macau.

Extending its transportation network to air travel, the Group established a joint venture with China National Aviation Company Limited to hold a 49% interest in a new Macau-based airline, Macau Asia Express Limited ("MAX"). MAX is a 51% subsidiary of Air Macau Company Limited, the enclave's flagship carrier. It will offer individual travelers value-for-money flights and travel packages.

Property

The Group's property development projects recorded both significant progress and substantial market enthusiasm in both Hong Kong and Macau during the year. The Group's property division reported an operating profit of HK$287 million (2006: HK$84 million) for the year ended 31 December 2007, which was mainly attributable to the recognition of profit from Nova City Phase 2 and the launch of Radcliffe.

Radcliffe is a luxury residential development located at 120 Pokfulam Road, Hong Kong. It features ten exclusive duplex apartments of over 3,000 square feet each and was completed in the first quarter of 2007. 60% of the duplex units were recognized as sale by end December 2007.

Demolition works at Chatham Gardens in Kowloon were completed in September 2006. Design of the residential towers and commercial podium is in progress. Construction works is expected to commence in the second quarter of 2008 with completion scheduled for 2011.

The Group acquired a 79% interest in a columbarium development project in Taipa, Macau and recognized a gain of HK$291 million from the excess of interest in fair value of net assets acquired over costs of acquisition. The design of the proposed columbarium is in progress. Construction work is scheduled to commence in 2008 with completion scheduled for 2010.

Nova City is one of the largest luxury property developments in Macau. The development's first three phases feature landscaped gardens and a deluxe clubhouse spanning 210,000 square feet, among the largest of such amenities of Macau's residential developments. Nova City 2, comprising four residential towers, was completed in the second quarter of 2007. As at 31 December 2007, more than 98% of the residential units were sold. Handover of residential units to individual purchasers commenced in June 2007. Pre-sale of Nova City 3 commenced in December 2006 and more units were launched at increasing prices in 2007. As at 31 December 2007, more than 87% of residential units were sold. Superstructure works for the four residential towers of Nova City 3 is scheduled for completion in stages by 2008.

One Central is the Group's joint-venture development with Hongkong Land Holdings Limited on a prime Macau NAPE waterfront site. Superstructure works are in progress and completion is scheduled for 2009. Pre-sale of One Central Residences received phenomenal response and more than 97% of residential units were sold by December 2007. Four duplex units were offered through a market-tendering exercise in December 2007.

Shun Tak Property Management Limited ("STPML"), the Group's property management division, provides comprehensive quality services to a diversified range of residential, commercial and industrial properties. The property portfolio under the division's management extends to more than 12 million square feet in Hong Kong and Macau. STPML is the first Hong Kong company awarded an ISO9001 certificate in Macau.

Hospitality

The Group's hospitality division continues to benefit from Macau's dynamic economic boom, the opening of new attractions there and the development of its infrastructure. The hospitality division, particularly the travel-related businesses, reported an increase in operating profit to HK$43 million in 2007 (2006: HK$27 million).

The Group's acclaimed 50%-owned Mandarin Oriental Macau and 34.9%-owned Westin Resort Macau ("Westin") have traditionally held prominent positions in Macau's luxurious hotel market. Both recorded a year-on-year increase in net profit despite keen competition for hotel guests. Westin was designated "Asia's Leading Sports Resort 2007" at the World Travel Awards 2007 and, for the third consecutive year, Westin was voted the "Best Business Hotel in Macau" by readers of Business Traveller China magazine.

Macau Tower Convention & Entertainment Center ("Macau Tower"), managed by the Group, is a uniquely popular tourist attraction for its adventure activities. During the year, Macau Tower has recorded an approximately 8% year-on-year growth in visitors with an approximately 36% year-on-year growth in sales for the business of meetings, incentives, conferences, exhibitions and banquets. More than 5.8 million people have visited Macau Tower since its opening in 2001. Its major attractions include SkyJump, a 233-meter controlled-descent decelerator facility; and a 233-meter-high Bungy Jump, which together recorded more than 7,000 jumps in 2007. Both SkyJump and Bungy Jump are listed in the Guinness World Records as the world's highest adventure facilities in their respective arenas.

Investments

The Group owns an effective interest in Sociedade de Turismo e Diversões de Macau, S.A. ("STDM") of approximately 11.5%. In 2007, the Group recognized HK$61 million in ordinary dividends declared by STDM for the year 2006. STDM owns an approximately 80% equity interest in Sociedade de Jogos de Macau, S.A., one of the few gaming concessionaires licensed by the Macau SAR Government to operate casinos in Macau.

RECENT DEVELOPMENTS AND PROSPECTS

The Group's operations continue to benefit from Macau's booming tourism and economic growth.

In December 2007, the Group completed the acquisition of Nova Taipa-Urbanizações, Limitada. The Group believes the acquisition will increase the Group's developable floor area in Macau and provide an excellent opportunity to further strengthen its interest in the development of Nova Taipa Gardens and Nova City. It also demonstrates the Group's commitment in the property business, leveraging from the overall economic growth of Macau and thus complementing and enhancing the Group's core transportation and hospitality businesses in Macau.

Harbour Mile, the Group's flagship development on the Nam Van site which is centrally situated on the waterfront adjacent to Macau Tower, is under planning for a mixed-use complex.

Through Hong Kong International Airport Ferry Terminal Services Ltd., a 40%-owned joint venture, the Group holds a three year agreement with The Airport Authority Hong Kong to provide management services at SkyPier, the Hong Kong International Airport's new, permanent cross-boundary ferry terminal scheduled for completion in 2009. The terminal is one of the key features of the SkyCity development, the airport's major business and leisure development on Lantau Island.

The Group's 70%-owned joint-venture Hong Kong SkyCity Marriott Hotel project is located in the eastern section of the SkyCity. This new five-star waterfront hotel, projected to have 1,000 rooms, will be developed in two phases with 658 rooms in the first phase. Superstructure works for the first phase are in progress with completion scheduled for late 2008. The hotel will be managed by Marriott Hotels International B.V.

With the recent opening of a new plant in Macau, the Group's wholly-owned subsidiary Clean Living (Macau) Limited further extended its professional laundry service for premier institutional clients in Macau.

In September 2007, the Group placed 140 million new ordinary shares to independent third parties in a top-up placement. The net proceeds of approximately HK$1.7 billion from the top-up placement further strengthened the Group's financial position and capability to capture investment opportunities in Macau's property market. As at 31 December 2007, the Group had bank balances and deposits of approximately HK$3.6 billion.

Given its positive position and prospects, the Group is strategically leveraged to capitalize on the Pearl River Delta's favorable economic environment, particularly in Macau.

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

The Group's bank balances and deposits amounted to HK$3,565 million at 31 December 2007. It is the Group's policy to secure adequate funding to match with cash flows required for working capital and investing activities. At 31 December 2007, total loan facilities available to the Group amounted to HK$10,555 million, of which HK$4,346 million remained undrawn. The loan facilities outstanding at the year end amounted to HK$6,209 million. The maturity profile of the Group's borrowings is set out below:

Maturity Profile

Within 1 year	1-2 years	2-5 years	Over 5 years	Total
52%	3%	43%	2%	100%

Based on a net borrowings of HK$2,624 million at the year end, the Group's gearing ratio (expressed as a ratio of net borrowings to equity attributable to equity holders of the Company) was 20.1% (2006: nil). The Group will continue to maintain a healthy gearing ratio and consider to reduce its finance costs.

During the year, 5,697,670 new shares were issued upon exercise of share options and 7,902,000 shares were repurchased and cancelled. The Company incurred approximately HK$85 million for the said repurchase. Pursuant to a top-up share placement announced on 27 September 2007, the Company issued 140 million new ordinary shares on 11 October 2007 at a price of HK$12.25 per share. The proceeds, net of expenses, amounted to approximately HK$1,687 million. At 31 December 2007, the Group had commitment of HK$1,485 million to finance a joint venture project with Hongkong Land Holdings Limited to develop One Central in Macau.

Capital expenditure commitments of the Group amounted to HK$511 million, a major portion of which was related to the Hong Kong SkyCity Marriott Hotel project at the Hong Kong International Airport.

Material acquisition

In December 2007, the Group completed the acquisition of additional 75% interests in Nova Taipa-Urbanizações, Limitada through an indirect wholly owned subsidiary of the Group for a cash consideration of approximately HK$6,870 million. The Group now owns 100% interest in Nova Taipa Gardens and Nova City projects.

Pledge of Assets

At the year end, certain assets of the Group with an aggregate carrying value of HK$800 million (2006: HK$545 million) were pledged with banks for loan facilities.

Contingent Liabilities

There was no material contingent liabilities of the Group at the year 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 year end. The Group's principal operations are primarily conducted and recorded in Hong Kong dollars so that the exposure to foreign exchange fluctuations is minimal. While the Group has financial assets 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. It is the Group's policy not to engage in any speculative trading activity.

Human Resources

The Group, including subsidiaries but excluding associates and jointly controlled entities, employed approximately 2,500 employees at the year end. The Group adopts competitive remuneration packages for its employees. Promotion and salary increment are based on performance. Social activities are organised to foster team spirit amongst staff. Staff are encouraged to attend training classes that are related to the Group's businesses.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Monday, 16 June 2008 to Thursday, 19 June 2008, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong registrars, Computershare Hong Kong Investor Services Limited, of 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, 13 June 2008.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2007, the Company had repurchased a total of 7,902,000 Shares on the Stock Exchange of Hong Kong Limited ("Stock Exchange") and details of which are as follows:

Month of Repurchases	Number of Shares Repurchased	Price per Share Highest	Price per Share Lowest
		HK$	*HK$*
March 2007	1,538,000	11.06	10.88
April 2007	616,000	11.24	11.14
May 2007	5,748,000	10.90	10.30
Total	7,902,000		

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standards of corporate governance. Corporate governance requirements keep changing, therefore the Board of Directors of the Company reviews its corporate governance practices from time to time to meet the rising expectations of shareholders and comply with increasingly stringent regulatory requirements. In the opinion of the Directors, the Company applied all those principles as set out in the Code on Corporate Governance Practices, as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the year ended 31 December 2007.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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. Based on specific enquiry of the directors of the Company, the directors have complied with the required standard, as set out in the Model Code during the year ended 31 December 2007.

REVIEW OF FINANCIAL STATEMENTS

The Group's consolidated financial statements for the year ended 31 December 2007 have been reviewed by the Audit Committee of the Company. The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2007 have been agreed by the Group's auditors, H. C. Watt & Company Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by H. C. Watt & Company Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by H. C. Watt & Company Limited on the preliminary announcement.

PUBLICATION OF FURTHER INFORMATION

All the information required by Appendix 16 of the Listing Rules will be published on the Stock Exchange's website in due course.

ANNUAL GENERAL MEETING

The 2008 Annual General Meeting of the Company will be held on Thursday, 19 June 2008. Notice of Annual General Meeting will be published on the Stock Exchange's website and the Company's website and dispatched to shareholders of the Company in due course.

By order of the Board
Stanley Ho
Group Executive Chairman

Hong Kong, 8 April 2008

As at the date hereof, the executive Directors are Dr. Stanley Ho, Ms. Pansy Ho, Ms. Daisy Ho, Dr. Ambrose So, Mr. Patrick Huen, Mr. Anthony Chan, Ms. Maisy Ho and Mr. David Shum.

The non-executive Directors are: Dató Dr. Cheng Yu Tung and Mrs. Louise Mok and the independent non-executive Directors are Sir Roger Lobo, Mr. Norman Ho, Mr. Charles Ho and Mr. Yeh V-Nee.