SHUN HO RESOURCES HOLDINGS LIMITED

(incorporated in Hong Kong with limited liability)

(Stock Code: 253)

2009 INTERIM RESULTS

RESULTS

The board of directors (the "Board") of Shun Ho Resources Holdings Limited (the "Company") announces that the unaudited consolidated profit after taxation of the Company and its subsidiaries (together the "Group") for the six months ended 30th June, 2009 amounted to approximately HK$55,440,000 (six months ended 30th June, 2008: HK$211,143,000) and the unaudited consolidated profit after non-controlling interests of the Group for the six months ended 30th June, 2009 amounted to HK$16,611,000 (six months ended 30th June, 2008: HK$53,504,000). The unaudited consolidated results of the Group for the period, together with comparative figures for the previous period, are as follows:

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30th June, 2009

		Six months ended	
	NOTES	**30.6.2009**	30.6.2008
		HK$'000	*HK$'000*
		(unaudited)	(unaudited)
Revenue	3	**121,483**	139,110
Cost of sales		**(1,948)**	(2,108)
Other service costs		**(46,947)**	(55,119)
Depreciation and release of prepaid lease payments for land		**(14,669)**	(14,904)
Gross profit		**57,919**	66,979
Increase in fair value of investment properties		**23,000**	184,927
Other income		**7,310**	7,380
Gain on fair value changes of investments held for trading		**15**	600
Administrative expenses		**(11,224)**	(10,916)
- Depreciation		**(2,676)**	(1,905)
- Others		**(8,548)**	(9,011)
Other expenses		**(5,209)**	(4,959)
Finance costs	5	**(5,816)**	(9,868)
Profit before taxation	6	**65,995**	234,143
Income tax expense	7	**(10,555)**	(23,000)
Profit for the period		**55,440**	211,143
Other comprehensive income			
Exchange differences arising on translation of foreign operations		**34**	2,665
Total comprehensive income for the period		**55,474**	213,808
Profit for the period attributable to:			
Equity holders of the Company		**16,611**	53,504
Non-controlling interests/minority interests		**38,829**	157,639
		55,440	211,143

	NOTE	Six months ended 30.6.2009	Six months ended 30.6.2008
		HK$'000	*HK$'000*
		(unaudited)	(unaudited)
Total comprehensive income attributable to:			
Equity holders of the Company		**16,620**	54,175
Non-controlling interests/minority interests		**38,854**	159,633
		55,474	213,808
		HK cents	HK cents
Earnings per share			
Basic	8	**6.87**	22.1

Condensed Consolidated Statement of Financial Position
At 30th June, 2009

	NOTES	**30.6.2009** *HK$'000* **(unaudited)**	31.12.2008 *HK$'000* (audited)
Non-current assets			
Property, plant and equipment		**402,823**	418,522
Prepaid lease payments for land		**1,292,255**	1,301,432
Investment properties		**1,940,580**	1,917,580
Property under development		**776,543**	741,914
Available-for-sale investments		**780**	780
Deposits for acquisition of property, plant and equipment		**235**	167
		4,413,216	4,380,395
Current assets			
Inventories		**629**	814
Properties for sale		**21,895**	21,650
Investments held for trading		**119**	104
Prepaid lease payments for land		**12,409**	12,409
Trade and other receivables	*10*	**13,328**	18,909
Other deposits and prepayments		**5,059**	5,560
Pledged bank deposits		**110**	110
Time Deposits		**-**	2,500
Bank balances and cash		**42,235**	19,920
		95,784	81,976
Assets classified as held for sale		**4,851**	-
		100,635	81,976
Current liabilities			
Trade and other payables	*11*	**27,770**	43,682
Rental and other deposits received		**31,389**	30,106
Advance from ultimate holding company		**60,799**	60,427
Tax liabilities		**8,127**	4,124
Bank loans		**292,112**	181,914
		420,197	320,253
Liabilities associated with assets classified as held for sale		**351**	-
		420,548	320,253
Net current liabilities		**(319,913)**	(238,277)
Total assets less current liabilities		**4,093,303**	4,142,118
Capital and reserves			
Share capital		**152,184**	152,184
Share premium and reserves		**909,487**	892,867
Equity attributable to shareholders of the Company		**1,061,671**	1,045,051
Non-controlling interests/minority interests		**1,962,641**	1,923,787
		3,024,312	2,968,838
Non-current liabilities			
Bank loans		**752,425**	862,425
Deferred tax liabilities		**316,566**	310,855
		1,068,991	1,173,280
		4,093,303	4,142,118

Notes:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard (“HKAS”) 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

2. PRINCIPAL ACCOUNTING POLICIES

In the current interim period, the Group has applied, for the first time, a number of new or revised standards, amendments and interpretations ("new HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning on 1st January, 2009. The adoption of these new HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

3. REVENUE

	Six months ended	
	30.6.2009	30.6.2008
	HK$’000	*HK$’000*
	(unaudited)	(unaudited)
Income from operation of hotels	**78,744**	102,421
Property rental	**42,739**	36,033
Interest from debt securities	**-**	616
Dividend	**-**	40
	121,483	139,110

4. SEGMENT INFORMATION

The Group’s operating segments under HKFRS8 are as follows:

1. Hospitality services - Ramada Hotel Kowloon
2. Hospitality services - Ramada Hong Kong Hotel
3. Hospitality services - Best Western Hotel Taipa, Macau
4. Hospitality services - Magnificent International Hotel, Shanghai
5. Property investment - 633 King’s Road
6. Property investment - Shun Ho Tower
7. Property investment - 19-23 Austin Avenue
8. Property investment - Shops
9. Property development
10. Securities investment and trading

The following is an analysis of the Group's revenue and results by operating segment for the periods under review:

	Segment revenue Six months ended		Segment profit Six months ended	
	30.6.2009 HK$'000 (unaudited)	30.6.2008 HK$'000 (unaudited)	**30.6.2009 HK$'000 (unaudited)**	30.6.2008 HK$'000 (unaudited)
Hospitality services	**78,744**	102,421	**16,293**	36,349
- Ramada Hotel Kowloon	**23,961**	30,013	**1,568**	6,620
- Ramada Hong Kong Hotel	**29,572**	39,745	**9,815**	18,720
- Best Western Hotel Taipa, Macau	**18,450**	22,256	**5,690**	9,023
- Magnificent International Hotel, Shanghai	**6,761**	10,407	**(780)**	1,986
Property investment	**42,739**	36,033	**64,626**	214,901
- 633 King's Road	**30,323**	18,970	**29,423**	138,374
- Shun Ho Tower	**7,902**	6,633	**23,919**	53,826
- 19-23 Austin Avenue (Note)	**-**	5,635	**-**	14,533
- Shops	**4,514**	4,795	**11,284**	8,168
Securities investment and trading	**-**	656	**15**	1,256
Property development	**-**	-	**-**	-
	121,483	139,110	**80,934**	252,506
Other income			**7,310**	7,380
Other expenses			**(5,209)**	(4,959)
Unallocated administration costs and directors' salaries			**(11,224)**	(10,916)
Finance costs			**(5,816)**	(9,868)
Profit before taxation			**65,995**	234,143

The following is an analysis of the Group's assets by operating segment:

	30.6.2009 *HK$'000* (unaudited)	31.12.2008 *HK$'000* (audited)
Segment assets		
Hospitality services	**2,383,254**	2,370,388
- Ramada Hotel Kowloon	**324,464**	333,078
- Ramada Hong Kong Hotel	**351,127**	355,841
- Best Western Hotel Taipa, Macau	**138,873**	141,695
- Magnificent International Hotel, Shanghai	**86,997**	89,354
- 239-251 Queen's Road West	**344,531**	336,059
- 19-23 Austin Avenue (Note)	**651,459**	646,437
- 30-40 Bowrington Road	**280,544**	265,357
- 338-346 Queen's Road West	**205,259**	202,567
Property investment	**1,951,333**	1,929,400
- 633 King's Road	**1,300,241**	1,301,095
- Shun Ho Tower	**377,421**	361,404
- Shops	**273,671**	266,901
Securities investment and trading	**937**	884
Property development	**21,916**	21,670
	4,357,440	4,322,342
	156,411	140,029
Unallocated corporate assets	**4,513,851**	4,462,371

Note: During the six months ended 30th June, 2008, the property situated at 19-23 Austin Avenue previously held under investment properties was transferred to the balance of properties under development for the redevelopment into a hotel.

5. FINANCE COSTS

	Six months ended	
	30.6.2009 *HK$'000* **(unaudited)**	30.6.2008 *HK$'000* (unaudited)
Interests on :		
Bank loans wholly repayable within five years	**13,038**	13,016
Advance from ultimate holding company wholly repayable within five years	**371**	470
Other	**16**	-
	13,425	13,486
Less: amount capitalised in property under development	**(7,609)**	(3,618)
	5,816	9,868

6. PROFIT BEFORE TAXATION

	Six months ended	
	30.6.2009	30.6.2008
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit before taxation has been arrived at after charging (crediting):		
Release of prepaid lease payments for land	**9,176**	9,024
Less: amount capitalised in property under development	**(3,144)**	(2,991)
	6,032	6,033
Depreciation of property, plant and equipment	**11,313**	10,776
Interest on bank deposits, included in other income	**(43)**	(120)
Gain on disposal of property, plant and equipment, included in other income	**(255)**	(371)

7. INCOME TAX EXPENSE

	Six months ended	
	30.6.2009	30.6.2008
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
The taxation charge comprises:		
Current tax		
Hong Kong	**4,099**	5,280
The People's Republic of China ("PRC")	**-**	520
Other jurisdiction	**409**	-
	4,508	5,800
Deferred tax		
Current period	**6,047**	32,379
Attributable to a change in tax rate	**-**	(15,179)
	6,047	17,200
	10,555	23,000

Hong Kong Profits Tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

8. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Six months ended	
	30.6.2009	30.6.2008
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period and earnings for the purpose of calculating basic earnings per share	**16,611**	53,504

	Number of shares	
	'000	*'000*
	(unaudited)	(unaudited)
Number of ordinary shares for the purpose of calculating basic earnings per share	**241,766**	241,766

Diluted earnings per share for both periods are not shown as there are no dilutive ordinary shares subsist during both periods presented.

9. DIVIDEND

During the period ended 30th June, 2009, no dividend was declared to shareholders of the Company.

The directors have resolved not to declare an interim dividend in respect of the current period (six months ended 30th June, 2008: nil)

10. TRADE AND OTHER RECEIVABLES

Except for a credit period of 30 to 60 days granted to travel agencies and customers of the hotels, the Group does not allow any credit period to its customers. The following is an aged analysis of the Group's trade receivables at the end of the reporting period:

	30.6.2009	31.12.2008
	HK'$000	*HK$'000*
	(unaudited)	(audited)
Not yet due	**6,718**	9,494
0-30 days	**2,879**	6,772
31-60 days	**749**	634
Over 60 days	**42**	96
	10,388	16,996
Analysed for reporting as:		
Trade receivables	**10,388**	16,996
Other receivables	**2,940**	1,913
	13,328	18,909

11. TRADE AND OTHER PAYABLES

The following is an aged analysis of the Group's trade payables at the end of the reporting period:

	30.6.2009	31.12.2008
	HK'$000	*HK$'000*
	(unaudited)	(audited)
0-30 days	**11,980**	8,522
31-60 days	**48**	633
Over 60 days	**1,728**	6,488
	13,756	15,643
Analysed for reporting as:		
Trade payables	**13,756**	15,643
Other payables	**14,014**	28,039
	27,770	43,682

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30th June, 2009 (six months ended 30th June 2008: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

The unaudited consolidated profit after non-controlling interests of the Group for the six months ended 30th June, 2009 amounted to HK$16,611,000 (six months ended 30th June, 2008: HK$53,504,000).

- During the period under review, the Group through its major subsidiaries, Shun Ho Technology Holdings Limited and Magnificent Estates Limited ("Magnificent"), continued with its operations of properties investment, development and operation of hotels.

  For the six months ended 30th June, 2009, the Magnificent Group's revenue was mostly derived from the aggregate of income from operation of hotels and properties rental income. The revenue and other income for the Magnificent Group decreased by 12% from HK$146 million to HK$129 million for the same period compared with last year. The decrease of revenue for the period was due to 23% drop in hotel revenue but there was 19% increase in rental income.

  For the period under review, the revenue for the 4 hotels was amounted to approximately HK$79 million, a 23% decrease.

Name of Hotel	**Avg Room Rate 2009 (Jan to Jun)** ***HK$***	Avg Room Rate 2008 (Jan to Jun) *HK$*
Ramada Hotel Kowloon	**554**	697
Ramada Hong Kong Hotel	**529**	681
Best Western Hotel Taipa, Macau	**377**	405
Magnificent International Hotel, Shanghai	**283**	380

The properties rental income was derived from office building of 633 King's Road and Shun Ho Tower and various shops of Ramada Hotel Kowloon, Ramada Hong Kong Hotel and Best Western Hotel Taipa, Macau amounted to approximately HK$42,739,000. Rental income was affected by the demolition of Swire & Maclaine House. As of the date of this announcement, rent leases of HK$65 million attributable to 2009 (excluding rates and management fee) of 633 King's Road has been signed, only one and a half floors remain unleased.

Other income amounted to HK$7.3 million which was mostly property management fee income of HK$7 million with related expenses of HK$5.2 million.

- As at 30th June, 2009, the overall debt of the Group was HK$1,105 million (31.12.2008: HK$1,104 million). All the debt was borrowed by Magnificent Group. The gearing ratio of the Group (including Magnificent Group) was approximately 37% (31.12.2008: 37%) in terms of bank borrowings of HK$1,044 million (31.12.2008: HK$1,044 million) and HK$61 million (31.12.2008: HK$60 million) was advance from shareholder against funds employed of HK$3,024 million (31.12.2008: HK$2,969 million).

  The Group's bank borrowings carry interest at floating rates and are mainly denominated in Hong Kong dollar. Accordingly, the exchange risk of the Group is minimal. During the period under review, there was no significant changes in the Group's staffing level, remuneration and benefit. Remuneration and benefit were set with reference to the market.

- For the period under review, the investment properties such as Shun Ho Tower, various shops in Ramada Hong Kong Hotel, Ramada Hotel Kowloon and Best Western Hotel Taipa, Macau were fully letted. It is expected that the rental revenue from these properties will continue to increase.

  During the period under review, the leasing of the grade A office building at 633 King's Road achieved HK$65 million per annum from 2009 with one and a half floor remaining vacant. The management envisages the office building will be fully leased in the nearest future.

  For the period under review, there was no property disposal. However, the houses at Gold Coast Marina, Tuen Mun are already available for leasing and rental income.

It is the intention of the Group to build a portfolio of 3-4 stars hotels with significant market shares in Hong Kong. The expected annual operating return on these hotels will be about 10% on development cost and real estate capital gain potential of 50%. The Board believes these opportunities are readily available. The current four hotels owned by the Group offer about 1,000 rooms and the newly acquired hotel development sites in Sheung Wan, Causeway Bay and Tsimshatsui will add an additional 1,300 rooms. The Board aims to increase the number of hotel rooms to about 2,300 rooms to become a leading hotel rooms supplier in Hong Kong. Such strategy has and will continue to increase the value of the Group substantially.

The Board continues to study carefully various options to lower existing level of the Group's debts. During the financial period under review, efforts have already made by the Group to lower the Group's staffing level. Hotel operating expenses have successfully been lowered by 14%. The adverse effect of the temporary hotel business slowdown is partially compensated by significant reduction of the Group's interests expenses.

Looking ahead, the management expects 2009 continue to be a difficult year for hotel operation. The hotels occupancy remain high because of the increasing leisure travelling from the PRC and their further visa relaxation. The hotels room rates have fallen due to the lack of higher yield commercial travellers because of the global economic slowdown. With the many global economic rescue packages announced, the world's economic activities should resume normal at later part of this year. Thus, the management expects higher yield commercial travellers will return in Autum that will compliment the already busy leisure travelling market which will result in room rates and revenue recovery.

The management will continue to adopt a conservative approach and will not make further asset acquisitions but to make best endeavour to complete the construction of the 4 new hotels in Hong Kong to increase the earning base and value for the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the period.

CORPORATE GOVERNANCE

(a) Compliance with the Code on Corporate Governance Practices

During the period, the Company has complied with the code provisions set out in the Code of Corporate Governance Practices (the "Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") except the following:

Code Provision A.2.1

The Company does not have separate appointments for Chairman and Chief Executive Officer. Mr. William CHENG Kai Man holds both positions. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person enables the Company to have a stable and consistent leadership. It will also facilitate the planning and execution of the Company's strategy and is hence, for the interests of the Company and its shareholders.

Code Provision A.4.1

Non-executive directors of the Company have no set term of office but retire from office on a rotational basis at least once every three years. According to the articles of association of the Company, every director shall be subject to retirement by rotation at least once every three years. The Company considers that sufficient measures have been taken to ensure that its corporate governance practices are no less exacting than those in the Code.

(b) Compliance with the Model Code

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the directors. Having made specific enquiry of all directors, the Company confirmed that all directors have complied with the required standard set out in the Model Code.

REVIEW BY THE AUDIT COMMITTEE

The audit committee has reviewed the unaudited financial results of the Group for the six months ended 30th June, 2009.

By Order of the Board

William CHENG Kai Man
Chairman

Hong Kong, 17th September, 2009

As at the date hereof, the Board comprises six Directors, of which two are Executive Directors, namely Mr. William Cheng Kai Man and Mr. Albert Hui Wing Ho; a Non-executive Director, Madam Mabel Lui Fung Mei Yee; and three are Independent Non-executive Directors, namely Mr. Vincent Kwok Chi Sun, Mr. Chan Kim Fai and Mr. Hui Kin Hing.