

## **Sun Hung Kai & Co. Limited posts commendable results in difficult global environment**

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### **Sun Hung Kai & Co. Limited Interim Results 2008**

**Hong Kong, 12 September 2008 – Sun Hung Kai & Co. Limited** (Stock Code: 86) (the “Company”, and together with its subsidiaries, the “Group”), operating its financial services under Sun Hung Kai Financial (“SHKF”), today announced its interim results for the six months ended 30 June 2008.

The Group posted a commendable set of financial results during the period under review, taking into account difficult market environment, including the impact of the U.S. and European credit crisis on global financial markets. Profit before tax amounted to HK\$581.7 million (2007: HK\$928.9 million), while profit attributable to equity holders of the Company was HK\$462.3 million (2007: HK\$747.1 million). The Group’s basic earnings per share for the period were HK27.5 cents (2007: HK50.0 cents). The Directors have recommended an interim dividend of HK5 cents per share (2007: HK10 cents per share).

These results were impacted by the sluggish markets and include several non-cash charges, which do not affect the underlying operating cash flow of the Group. These charges include ongoing amortisation as well as an impairment relating to the carrying value of the intangible assets of the Group’s Consumer Finance business. In addition, the Group’s short-term investments have been affected by declining market prices. The performance of these investments should improve when the markets stabilise.

Excluding these items, the Group would have achieved a profit attributable to equity holders of the Company of HK\$727.7 million (2007: HK\$726.9 million).

Mr. Lee Seng Huang, Executive Chairman, Sun Hung Kai Financial, said: “The Group’s focus on innovation and flexibility, along with our solid balance sheet, have allowed us to mitigate some of the impact of the current financial environment. While we expect the remainder of the year to remain challenging, our diversified business model and our conservative approach to growth have positioned us well to weather this period of global uncertainty.”

Against this financial backdrop, the Group continued to build its business operations and strengthen its platforms across five core focus areas, namely Wealth Management & Brokerage; Asset Management; Corporate Finance; Consumer Finance; and Principal Investments.

The Group's integrated Wealth Management & Brokerage platform allowed management to shift its focus to products and strategies less exposed to this market volatility. The Corporate Finance and Consumer Finance divisions both performed strongly, leveraging the opportunities presented by the difficult credit markets. During the period under review, the Group also disposed of its interest in Quality HealthCare Asia Limited, crystallising the value of its Principal Investments portfolio and redeploying the capital into other opportunities.

The Group's assets under management held by the Asset Management division and its associates continued to work towards the US\$1 billion mark. The Group also established a private equity enterprise with Shenzhen Oriental Fortune Capital Co. Ltd., a leading mainland private equity investment management firm, which will focus on investment opportunities through a RMB900 million private equity capital fund. In addition, the Group linked with Dubai-based investment advisor Algebra Capital Limited, finalising plans to launch a new fund focusing on the Middle East and North Africa markets.

During the first half, the Group received several awards for its excellence in innovation, strong brand management and leading customer service. Notably, the Group was named "Best Broker Hong Kong" by *FinanceAsia* magazine for the second year running, while *The Asset* awarded the Group its "Trailblazer 2008" award following last year's successful launch of Asia's first residential property derivative.

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## **About Sun Hung Kai & Co. Limited and Sun Hung Kai Financial**

With its foundation dating back to 1969, Sun Hung Kai & Co. Limited, which operates under the name Sun Hung Kai Financial, is the leading non-bank financial institution in Hong Kong. The Group currently has approximately HK\$60 billion in assets under management, custody and/or advice, and approximately HK\$12 billion of shareholders' equity. Its core areas of focus include wealth management and brokerage, asset management, corporate finance, consumer finance as well as principal investments. Listed on the HKEx (stock code: 86), the Group employs over 1,700 dedicated financial professionals and has an extensive branch and office network in over 60 locations in Hong Kong, Macau, China and Singapore.

### **For enquiries:**

#### **Sun Hung Kai Financial**

Marie Yung	+(852) 3920 2511	<a href="mailto:marie.yung@shkf.com">marie.yung@shkf.com</a>
James Murphy	+(852) 3920 2510	<a href="mailto:james.murphy@shkf.com">james.murphy@shkf.com</a>
Peony Cheng	+(852) 3920 2513	<a href="mailto:peony.cheng@shkf.com">peony.cheng@shkf.com</a>

#### **Financial Dynamics International**

Wendy Yeung	+(852) 3716 9828	<a href="mailto:wendy.yeung@fd.com">wendy.yeung@fd.com</a>
Queenie Tsao	+(852) 3716 9811	<a href="mailto:queenie.tsao@fd.com">queenie.tsao@fd.com</a>
Phyllis Cheung	+(852) 3716 9822	<a href="mailto:phyllis.cheung@fd.com">phyllis.cheung@fd.com</a>