

[For Immediate Release]

## **Sun Hung Kai & Co. Limited delivers an encouraging set of financial results despite continuing volatility in global markets**

**Hong Kong, 25 August 2010** – Sun Hung Kai & Co. Limited (Stock Code: 86) (the “Company”, and its subsidiaries, the “Group”), operating as Sun Hung Kai Financial (“SHKF”), today announced its interim results for the period ended 30 June 2010.

SHKF posted an encouraging set of results in the period under review where global financial markets were marked by continued volatility and fragile investor confidence. The Group recorded an increased profit before tax of HK\$762.7 million (2009: HK\$655.4 million) whilst at the same time distributing to shareholders HK\$3.8 billion in benefits from disposing of the Group’s interest in Tian An China Investments Company Limited (“Tian An”). Profit attributable to owners of the Company was HK\$492.1 million (2009: HK\$507.2 million), while earnings per share were HK28.1 cents (2009: HK29.5 cents). Excluding the effects of the Tian An disposal and its contribution to Group earnings, net profit attributable to owners would have grown by 24%.

The Board has declared an interim dividend of HK10 cents per share (2009: HK6 cents per share) for the period. This is in addition to the special dividend equivalent to HK\$2.01 per share, included in the distribution in specie already made by the Company on 28 June 2010 from the disposal of Tian An.

These results demonstrate the strength of the Group’s diversified business operations, which consist of Wealth Management & Brokerage, Asset Management, Corporate Finance, Consumer Finance and Principal Investments. The Group’s improved financial performance was largely attributable to the strong performance of its Corporate Finance and Consumer Finance businesses, with contributions increasing by 533% and 225% respectively, in addition to management’s ongoing focus on driving efficiency gains.

Mr. Lee Seng Huang, Executive Chairman, Sun Hung Kai Financial, said: “The Group’s strategy remains focused on targeting small to mid cap Hong Kong and Chinese enterprises. There are ample opportunities for further growth in this underserved sector especially when taken in context of the Group’s substantial balance sheet strength and distribution capabilities.”

The Consumer Finance business was also buoyed by an improvement in the operating environment. Operating as United Asia Finance Limited (“UAF”), the division delivered strong results with revenue increasing 7% to HK\$788 million while contribution jumped 225% to HK\$385 million. This record interim result was driven largely by reduced loan impairment charges as well as growth in the China loans business.

To drive future growth of the Consumer Finance and Corporate Finance divisions, the Group signed an agreement to attract up to HK\$2.1 billion in strategic investment by CVC Capital Partners in the form of mandatory convertible notes and warrants. This strategic alliance is expected to deliver significant strategic benefits for the two divisions.

The Wealth Management & Brokerage division delivered a satisfactory result. Excluding the swing in profit to loss from financial assets and liabilities (which reflected mainly mark-to-market valuation adjustments), the core operating performance of the division was steady; revenues increased 8% year-on-year and contribution increased 12%. Growth was mainly driven by strong demand for margin finance services as well as diversification to non-equities products. Notably, to capitalise on growth opportunities in the forex markets, the Group entered into a strategic partnership in foreign exchange with Australian-based Macquarie Bank in April this year.

“It is pleasing to see the Group performing solidly despite the continuing volatility in global markets. It is testimony to the strength of our diversified business model that we continue to grow and further consolidate our position as Hong Kong’s leading non-bank financial institution. We are well placed to continue to enhance our franchise in Hong Kong and the Greater China Region, particularly as markets begin to recover,” concluded Mr. Lee.

The Group continues to attract industry awards with its fourth consecutive *FinanceAsia* for ‘Best Broker Hong Kong’ award, *Economic Digest’s* Outstanding Brand Award and *Capital Magazine’s* Outstanding Hong Kong Brand Enterprise among the accolades announced in the period under review.

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

Sun Hung Kai & Co. Limited (HKEx stock code: 86), which operates as Sun Hung Kai Financial, is the leading non-bank financial institution in Hong Kong. Founded in 1969, the Group offers tailored financial solutions to retail, corporate and institutional clients. The Group's core areas of focus consist of wealth management and brokerage, asset management, corporate finance, consumer finance and principal investments. Operating an extensive branch and office network across 90 locations in Hong Kong, China, Macau and Singapore, the Group currently has approximately HK\$60 billion in assets under management, custody and/or advice and over HK\$9 billion\* in shareholders' equity. (\*Figure as at 30 June 2010)

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