

**Sun Hung Kai & Co. Limited announces 2007 Annual Results**

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Profit before tax surges 268% to HK\$2.19 billion

Recommended total dividend increases 133% to HK35 cents per share

<b>Financial Highlights:</b> <i>(For the year ended 31 December 2007)</i>	2007	2006	Change	
Revenue (HK\$'000)	4,666,849	1,984,356	↑	135%
Profit before share of results of associates and jointly controlled entities and before taxation (HK\$'000)	1,929,405	585,608	↑	229%
Consolidated profit attributable to equity holders of the Company (HK\$'000)	1,897,624	451,601	↑	320%
Equity attributable to equity holders of the Company (HK\$'000)	12,191,635	8,301,995	↑	47%
Total assets less current liabilities (HK\$'000)	18,855,893	14,055,142	↑	34%
Basic earnings per share (HK cents)	124.6	33.6	↑	271%
Total dividend per share (HK cents)	35.0	15.0	↑	133%
Return on equity (%)	15.56	5.44	↑	186%

**Hong Kong, 9 April 2008 – Sun Hung Kai & Co. Limited** (Stock Code: 86) (the “Company”, or together with its subsidiaries, the “Group”), operating its financial services under the name of Sun Hung Kai Financial (“SHKF”), today announced its audited results for the year ended 31 December 2007.

**Sun Hung Kai Financial posts record results**

The Group performed strongly over 2007. During the year, the Group recorded a 268% increase in profit before tax to HK\$2.19 billion (2006: HK\$595.1 million). Consolidated profit attributable to equity holders of the Company soared 320% to HK\$1.9 billion (2006: HK\$451.6 million). Basic earnings per share (EPS) rose 271% to HK124.6 cents (2006: HK33.6 cents). Revenue was HK\$4.67 billion for the year, against HK\$1.98 billion for the previous year, an increase of 135%.

The Directors recommended a final dividend of HK25 cents per share. This proposed final dividend, together with the 2007 interim dividend paid of HK10 cents per share, represents a total dividend for 2007 of HK35 cents per share (2006: HK15 cents per share), an increase of 133%. This increase in dividend is in line with the Company's strategy of maintaining a payout ratio of at least 30% of profit after tax.

Mr. Lee Seng Huang, Executive Chairman, Sun Hung Kai Financial, said: “Over the course of 2007 the Group performed strongly, and our record financial results are testimony to our long-term, balanced approach to growth. During a year in which we streamlined and strengthened our balance sheet, improved our business operations and focused on developing our human capital, we accordingly exercised greater discipline in capital utilisation and broadened the scope of our business as part of our stated diversification strategy. We are strongly positioned as Hong Kong’s leading non-bank financial institution.”

### **Business Review**

Revenue and profitability continued to grow significantly, driven by increased activity and improved performances in each of the Group’s five core businesses, which comprise: Wealth Management and Brokerage; Asset Management; Corporate Finance; Consumer Finance; and Principal Investments. The turnover contributions of the businesses are as follows:

- Wealth Management and Brokerage (44.68%)
- Asset Management (4.85%)
- Corporate Finance (3.99%)
- Consumer Finance (24.11%)
- Principal Investments (20.52%)
- Others (1.85%)

The Group reached several milestones over 2007, particularly in terms of business results, partnerships and innovation. During the year, the Group’s assets under management, custody and/or advice reached a record high of more than HK\$60 billion. Initial public offering subscriptions for the Group’s margin financing clients jumped 93% to HK\$232.5 billion for the year, while Minibond Series 34, the final issue for 2007, attracted a record investment of HK\$1.1 billion, bringing the cumulative total since its 2002 launch to HK\$13 billion as at early 2008.

In November, the Group inked a strategic alliance with Dubai Investment Group (“DIG”), a Dubai Group company, through the placement of 166 million shares to DIG, raising HK\$1.9 billion. The deal gives the Group access to new global pools of capital seeking investment opportunities in Greater China, and paves the way for further expansion into the mainland. In addition, China Xin Yongan Futures Company Limited, a joint venture with leading China-based futures broker, Zhe Jiang Province Yongan Futures Broker Company Limited, was officially launched in Hong Kong.

The year also saw continued innovation from the Group, as it rolled out the first property derivative in Asia-Pacific in partnership with ABN AMRO, based on The University of Hong Kong’s Hong Kong Island Residential Price Index.

### **The Year Ahead**

Commenting on the year ahead, Mr. Lee noted: “With the markets weighed down by global uncertainty and instability associated with the widespread credit rout, and the US economy increasingly showing signs of a slowdown, 2008 will no doubt be a challenging year. However, we remain confident that the Group’s record results, diversified businesses and strong capital base position SHKF to meet these challenges, and write the next chapter in our almost four decade history in Hong Kong.”

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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 over HK\$60 billion in assets under management, custody and/or advice, and more than HK\$12 billion of attributable 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 is currently capitalised at approximately HK\$13 billion. It employs more than 1,500 dedicated financial professionals and has an extensive branch and office network in over 60 locations in Hong Kong, Macau, China and Singapore.

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