



**SHUN TAK HOLDINGS LIMITED**  
(Incorporated in Hong Kong with limited liability)  
(Stock code: 242)  
website: <http://www.shuntakgroup.com>

## Shun Tak Announcing Remarkable Growth for Year 2017 underscored by property sales

Financial Highlights			
	2017 (HK\$'000)	2016 (HK\$'000)	Difference (%)
Revenue	6,388,505	3,851,931	↑66%
Profit/(Loss) attributable to owners of the Company	1,450,160	(587,137)	↑347%
Profit attributable to owners of the Company (excluding unrealized fair value changes on investment properties)	1,242,187	30,206	↑4,012%
Earnings/(Loss) per share (HK cents):			
- Basic	47.7	(19.3)	↑347%
- Diluted	47.7	(19.3)	↑347%

(March 27, 2018 – Hong Kong) Shun Tak Holdings Limited (“Shun Tak” or “the Group”; stock code: 242) announced today its annual results for year 2017, posting HK\$6,389 million in revenue (2016: HK\$3,852 million) and HK\$1,450 million in profit attributable to owners of the Company, which represents a 347% increase year-on-year. Excluding unrealized fair value changes on investment properties, profit attributable to owners of the Company is HK\$1,242 million, representing a 4,012% increase. The Board of Directors recommended a final dividend of HK6.0 cents per share (2016: Nil). Together with the interim dividend of HK6.0 cents per share (2016: Nil) paid during the year, the total dividends for the year amounted to HK12.0 cents per share.

"2017 has been an important year. The Group is beginning to benefit from its fruits of labour and posted remarkable results, largely driven by the sale of earlier projects such as the Chung Hom Kok Collection and Nova Park, as well as a strong revival in tourism performance. The year also marked major steps we took to venture beyond our home bases Hong Kong and Macau, to solidify our presence in new markets through our hotel, real estate and other business investments." remarked Ms. Pansy Ho, Group Executive Chairman and Managing Director of Shun Tak Holdings Limited.

## **PROPERTY**

Hong Kong and Macau real estate markets have continued their uptrend throughout year 2017, recording new heights in both transaction prices and volume propelled by earnest local demands and affordable mortgage rates. Riding on this strong growth, the Group has continued to roll out Nova Grand and received overwhelming market response. Revenue from previously contracted sales of Nova Park and income from the disposal of the Chung Hom Kok Collection were recognized within the financial year. Overseas, the Group also recorded office unit sales at its 111 Somerset property. All in all, the property division is posting an exceptional year-on-year growth at HK\$1,189 million (2016: HK\$124 million).

In Macau, the Group continued to roll out Nova Grand with 596 units sold during the year, bringing cumulative number of units sold to 56% out of all available units. Topping out of the tower blocks was conducted in June 2017 with completion scheduled for late 2018. Leasing of Nova Mall, the retail component directly connected to Nova Grand, is currently in progress, with target opening by the latter half of year 2019.

In China, the Group is diligently expanding its portfolio of mixed-use projects in tier one cities.

In Beijing, Shun Tak Tower has achieved a 90% occupancy rate for its office units, and has seen the opening of a 138-room Artyzen Habitat in September 2017. Meanwhile, construction at Beijing Tongzhou Integrated Development is solidly on track with completion expected in 2019 and 2020 by phases.

In Shanghai, a Mixed Development at Qiantan comprising office space, retail, an art and cultural centre and a 210-room hotel to be managed by Artyzen Hospitality Group, will commence site works in the second quarter of 2018 and completion is scheduled for 2022.

In Hengqin, the Hengqin Integrated Development is also progressing as planned with completion expected in year 2020.

In March 2017, the Group acquired a 70% interest in a premium commercial development in Singapore located at 111 Somerset Road comprising about 766,550 square feet of gross floor area. It is currently undergoing a substantial asset enhancement program, upon the completion of which, will comprise a total net strata area of approximately 572,000 square feet of offices, medical suites and retail units. During the year, 11 office units have been sold with profits recognized. As at 31 December 2017, 75% of the office units held have been leased, with the remaining vacated for renovation or being marketed for sale or lease. Renovation of medical suites and retail portions are expected to be completed by the second and third quarter of 2018 respectively. Leasing of retail space is currently underway.

## **TRANSPORTATION**

In 2017, Hong Kong and Macau tourism rebounded with new vitality in terms of both tourist arrivals and expenditure. The transportation division has capitalized upon the heightened demand for travel and achieved top line growth in gross revenue, with TurboJET's Hong Kong-Macau flagship routes collectively posting 14 million annual passengers, representing a 2% increase. However, under the pressure of inflating fuel and operating costs, profit narrowed to HK\$307 million (2016: HK\$394 million), translating into a decline of 22% year-on-year.

In June 2017, the new and permanent Taipa Ferry Terminal has officially launched service. In the initial phase of operation, TurboJET was allotted two berths out of eight in service. Upon availability of increased terminal resources, the company plans to gradually increase sailings in order to complement growing demands destined for new resorts and attractions in Taipa, Coloane and Hengqin.

In August, the division participated in a consortium which has succeeded in obtaining the concession right to operate cross-border shuttle buses on the Hong Kong-Zhuhai-Macau Bridge. The company seeks to contribute its experience in operating cross-regional transportation within the Pearl River Delta, and support the growth of the Guangdong- Hong Kong-Macau Greater Bay Region.

## **HOSPITALITY**

In general, tourism has revived for both Hong Kong and Macau in 2017, seeing a positive boost across most performance metrics including visitor traffic, hotel occupancy and consumer propensity to spend. Despite so, hotel prices have not improved due to fierce competition in the market. In particular, Macau's encouraging rebound in gaming performance was outpaced by hotel supply growth. In August, Macau suffered devastating damages from Typhoon Hato, with the entire tourism industry heavily hit by its aftereffects. Although Artyzen Hospitality Group ("AHG") opened its first two branded hotels for business, pre-opening expenditures have increased as four additional properties are scheduled for launch next year. As a result, the hospitality division has posted HK\$46 million in profit (2016: HK\$263 million in loss).

In terms of hotel performance, Hong Kong SkyCity Marriott Hotel posted an average occupancy rate of 85%. In Macau, Grand Coloane Resort and Mandarin Oriental, Macau attained an occupancy rate of 81% and 58% respectively.

The Group's hotel projects in Shanghai and Singapore are progressing well on track.

Two hotel properties within the Shanghai MixC integrated commercial development project, comprising the 303-room citizenM Hongqiao and the 188-room Artyzen Habitat Hongqiao, are in their final stage of fit-out works and slated for opening in the second half of 2018.

No. 9 Cuscaden Road Singapore, a prime freehold site the Group acquired in August 2016, will be redeveloped into a new hotel facility. The Group has submitted development plans to the government to build a five-star hotel property with no fewer than 140 room keys. Site works are expected to begin in the second half of 2018, with completion scheduled for year 2021.

AHG has made significant headway in 2017. Two Artyzen branded properties made their

debut in the fourth quarter, including a 138-room Artyzen Habitat in Dongzhimen Beijing and a 267-room citizenM in Taipei North Gate, both of which have achieved satisfactory occupancy since their openings. AHG is excitedly engaged with the pre-opening of four new properties scheduled to be launched in year 2018. It will be operating 8 hotels with approximately 1,900 keys by the end of 2018.

During the year, Shun Tak Travel registered a combined revenue of HK\$53 million (2016: HK\$44 million) for its travel and MICE business.

## **INVESTMENT**

With gaming revenue in Macau trending optimistically in 2017, driven by a more diversified market base and growing affluence in Asia, the division is expecting to see improving prospects ahead. Yet, as dividend payout from Sociedade de Turismo e Diversões de Macau, S.A. recognized by the Group in 2017 reflected the trough of performance by SJM Holdings Limited from a year ago, the division has posted a decline in profits at HK\$135 million (2016: HK\$197 million).

Kai Tak Cruise Terminal received a total of 190 berthings of cruise ships in 2017, doubling that from last year.

With a reliable track record and clear expansion plan, Shun Tak Group is at the cusp of breaking through new realms with discipline and determination, and is well-positioned to deliver a compelling vision for the years ahead.

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