



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

Shun Tak Announces Interim Results for Year 2017

Financial Highlights (For the six-month period ended 30 June 2017)			
	1H2017 (HK\$'000)	1H2016 (HK\$'000)	Difference (%)
Revenue	3,678,372	1,867,797	↑ 97%
Profit/(Loss) attributable to owners of the Company	699,311	(53,027)	↑ 1,419%
Profit attributable to owners of the Company (excluding unrealized fair value changes on investment properties)	718,119	239,236	↑ 200%
Earnings/(Loss) per share (HK cents):			
- Basic	23.0	(1.7)	↑ 1,453 %
- Diluted	23.0	(1.7)	↑ 1,453%

(August 28, 2017 - Hong Kong) Shun Tak Holdings Limited (“Shun Tak” or “the Group”; stock code: 242) posted a revenue of approximately HK\$3,678 million over the first six months of 2017, representing a 97% year-on-year increase. Excluding the unrealized fair value changes on investment properties, profit attributable to shareholders registered 200% increase at HK\$718 million for the first half of 2017. Basic earnings per share is HK23 cents. The Board recommends an interim dividend of HK6 cents per share (2016: nil).

“Over the first half of 2017, the economy has exhibited a modest recovery, which has positively impacted the Group’s financial performance. Our various business

divisions have regained momentum upon the back of a steady rebound in visitor numbers across Hong Kong and Macau. Meanwhile, the Group's integrated development projects in China are progressing well on track, and a number of new hotel projects in major Asian gateway cities have successively commenced operation. In the latter half, we shall further unleash the strength of the Group's portfolio, and adopt a prudent and timely approach to strengthen our core earnings while proactively pursuing long-term growth potentials." said Ms. Pansy Ho, Group Executive Chairman and Managing Director of Shun Tak Holdings Limited.

PROPERTY

Over the first half of 2017, the real estate markets across both Hong Kong and Macau have exhibited solid growth in prices and transaction volume, driven by strong economic fundamentals and local demands. Capitalizing upon this uptrend, the Group has continued to launch Nova Grand and received popular market response. During the period, revenue from previously contracted sales of Nova Park and income from the disposal of the Chung Hom Kok Collection have been recognised, attributing to an increased year-on-year profit of HK\$630 million (1H2016: HK\$55 million).

In Macau, following the successful launch of Nova Grand in the last quarter of 2016, the Group continued to roll out 397 units of 2-bedroom and 3-bedroom apartments of Nova Grand for presale, bringing cumulative number of units sold to 45%, out of all available units. Topping out of the tower blocks was conducted in June 2017 with completion scheduled for late 2018.

Nova Mall, the retail component directly connected to Nova Grand, is Macau's largest lifestyle shopping centre. It is planned to house a diverse range of tenants including a cineplex, a supermarket, and an exciting array of differentiated lifestyle brands and dining options. Leasing of the mall is currently under progress.

In China, Shun Tak Tower in Beijing Dong Zhi Men is getting progressively leased with its office component registering an occupancy of 79% as of 30 June 2017. A 138-room Artyzen Habitat is slated for opening in the third quarter of 2017.

Two projects under development, including Beijing Tongzhou Integrated Development and Hengqin Integrated Development are progressing solidly on track. Superstructure works for both properties have already commenced with project completion for the first expected in 2019/20 and the latter in 2020.

Mixed Development at Qiantan, Shanghai, another integrated complex under planning, is expected to comprise office space, retail, hotel and an art and cultural centre according to the current plan. Completion is scheduled for 2022.

In March, the Group acquired a 70% interest in a commercial complex at 111 Somerset Road in Singapore downtown, a prime location in close proximity to the Orchard road shopping and tourist district with direct MRT access. The property is currently undergoing a substantial refurbishment program, upon the completion of which, shall provide approximately 766,550 square feet of office units, medical suites and 2 levels of retail podium. The 13 storeys of strata office units is currently 75% leased, and three office units have been sold and recognised during the period.

TRANSPORTATION

Benefiting from a solid recovery of tourist arrivals across the two SARs, the Group's flagship ferry operation has experienced satisfactory top-line growth over the first half of 2017. TurboJET's Hong Kong-Macau flagship routes collectively serviced 6.7 million passengers over the first half of 2017, representing a 5% improvement. Nonetheless, with appreciated fuel costs, the division faced a contraction in yield and posted a moderate year-on-year decrease in profit at HK\$190 million (1H2016: HK\$213 million).

Tuen Mun Ferry Terminal, which opened in January last year, has registered an increase of 40% in passenger throughput. Leveraging its strategic location within the Pearl River Delta, additional cross-boundary routes to Macau, Shenzhen Airport Fuyong Ferry Terminal and Zhuhai have been successively launched. Aside from Tuen Mun Ferry Terminal, another important destination was introduced in June, as the permanent Taipa Ferry Terminal came into operation. In its initial launch phase, TurboJET will be operating out of two berths. As the facility enhances its capacity in

the future, the company will extend its service to up to 90 daily sailings.

During the period, its Premier Grand class continued to lead the growth and posted a 19% year-on-year increase in passenger numbers.

On land, Shun Tak & CITS Coach (Macao) Limited maintained solid performance and recorded HK\$85 million in revenue over the first half of 2017 (1H2016: HK\$65 million).

HOSPITALITY

Over the first half of 2017, visitor arrivals into Hong Kong and Macau have rebounded steadily with single digit growth. Despite the encouraging momentum, prices remained suppressed under fierce competition in the market, underscored by contracted corporate spending and a weakened Renminbi. In addition, Macau has experienced a marked increase in room supplies over the previous quarters, eroding shares from independent hotels. Meanwhile, Artyzen Hospitality Group (“AHG”) has undergone a period of expenditures as it prepares for the opening of a number of new hotels. Collectively, these factors have contributed to a lowered profit for the hospitality division at HK\$31 million (1H2016: HK\$44 million in profit).

In terms of hotel performance, Hong Kong SkyCity Marriott Hotel posted an average occupancy rate of 84%. In Macau, Grand Coloane Resort and Mandarin Oriental, Macau attained an occupancy rate of 76% and 49% respectively.

The Group’s hotel projects in Shanghai and Singapore are progressing as planned.

Hotel property at Shanghai MixC is currently under construction with completion scheduled for the fourth quarter of 2017. When completed, the hotel property will be operated by the Group’s hotel management subsidiary, AHG, under the brands of citizenM and Artyzen Habitat. Operation is expected to commence in the second quarter 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 project is now in its design

stage with construction expected to begin in mid-2018.

In Q1 2017, AHG entered into a management contract with Pinnacle Supreme Sdn Bhd, a member of Cornerstone Partners Group for a 198 room citizenM hotel in Bukit Bintang, Kuala Lumpur, which will be the third citizenM in Asia opening in Q2 2018. By end of 2018, there will be 8 operating hotels with approximately 1,900 keys under AHG's management.

INVESTMENT

The investment division recorded a profit of HK\$109 million (1H2016: HK\$167 million), or a 35% decline, attributable to lowered dividend payout from Sociedade de Turismo e Diversões de Macau, S.A., a lagged reflection of the performance of SJM Holdings Limited a year earlier.

Kai Tak Cruise Terminal received 86 berthings in the first half of 2017, with 102 ship calls scheduled for the remainder of the year. As of 30 June 2017, 100% of retail space has been leased.

The Group has solid fundamentals and proven experience in navigating through market cycles. It remains firmly confident in the long term development potentials of its portfolio, and will continue to optimize returns for investors through foresight and diligence.

- End -

For enquiries, please contact:

Corporate Communications

Tel: +852 2859 4823

Email: pr@shuntakgroup.com

Investor Relations

Tel: +852 2859 3303

Email: ir@shuntakgroup.com