



# IR NEWSLETTER

## FY17 Review – The Great Leap

### Shun Tak Announcing Remarkable Growth for Year

**2017 underscored by property sales.** Our bottom line was strongly strengthened by the Property division as harvesting years have begun for residential bookings and new investment properties' revenue contribution.

### Financial Summary

(For 12 months ended 31 Dec 17, HKD' million)

	2017	2016	Changes
Revenue & Other Income	6,641	4,107	+62%
Profit (Loss) attributable to owners of the Company	1,450	(587)	+347%
<b>Profit attributable to owners of the Company excluding fair value changes</b>	<b>1,242</b>	<b>30</b>	<b>+4,012%</b>
Basic earnings (loss) per share	47.7	(19.3)	+347%
Total dividend per share (cents)	12.0	NIL	N/A

Ms. Pansy Ho, Group Executive Chairman and Managing Director of Shun Tak Holdings Limited:

"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."

Stock code: 0242 HK

MTN Stock Code: 5910 HK

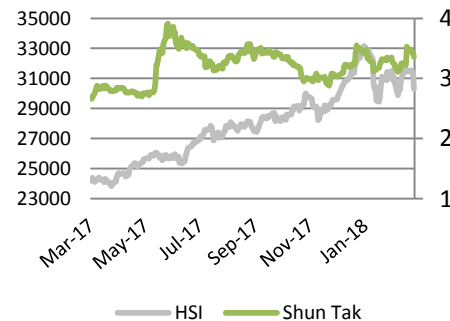
Share Price at 27 Mar 18: HK\$ 3.480

Market Cap: HK\$ 10.55B

52-week range (HKD): 2.650 - 3.950

No. of Issued Shares: 3.031B

### Share Price Performance



### Key indicators

	FY16	FY17
ROE (%)	(2.3)	2.3
Book NAV/share	10.0	10.9

### Company Profile

Established in 1972, Shun Tak Holdings Limited ("The Group") (HKSE 242) is a leading conglomerate in Hong Kong with core businesses in transportation, property, hospitality and investments. It has a strong established presence in Macau.

The Group is listed on the Hong Kong Stock Exchange since 1973 and is currently a constituent stock in the Hang Seng Sustainability Index, MSCI Hong Kong (Small Cap) Index and the Hang Seng HK MidCap Index.



# 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), an increase of 498% including the share of results from joint venture and associates, mainly contributed by One Central's mall.

## Property Sales in 2017

Location	Property	Number of units or houses
Hong Kong	Chung Hom Kok Collection	5 houses (recognized in FY17)
Macau	Nova Park (Phase IV)	1 unit (75 units of previously contracted sales have been recognized)
Macau	Nova Grand (Phase V)	596 units
Singapore	111 Somerset	11 office units (recognized in FY17)



*Nova Grand topped out in Jun 2017*

## Property Investment Overview in 2017

Location	Property	Occupancy
Macau	One Central Mall	92%
Macau	Shun Tak House	100%
Hong Kong	The Westwood	96%
Hong Kong	Chatham Place	51% (major kindergarten to commence operation in 3Q18)
Hong Kong	liberté place	100%
Hong Kong	Shun Tak Centre, Shop No. 402	100%
Beijing, China	Shun Tak Tower	90%
Guangzhou, China	Guangzhou Shun Tak Business Centre	89%



*Chung Hom Kok – the ultra luxury collection*



## What's in the Pipeline

### Projects Under Construction

Project (Location)	Estimated completion date
111 Somerset (Singapore)	Asset Enhancement Initiative: - 2Q18 (medical suites) - 3Q18 (retail)
Nova Grand, Phase V (Taipa, Macau)	4Q18
Nova Mall (Taipa, Macau)	2019
Tongzhou Integrated Development (Beijing, China)	2019/2020
Hengqin Integrated Development (Zhuhai, China)	2020



*Hengqin development – connected to customs at the Macau – Hengqin border*



*Tongzhou Integrated Development*

### Projects Under Planning

Project (Location)	Estimated completion date
5-star hotel (No.9 Cuscaden Road, Singapore)	2021
Qiantan Mixed Development (Shanghai, China)	2022



# 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.

## 2017 Transportation Overview

Passenger Growth	
Premier Grand Class	+13% YoY
New Routes	
Tuen Mun Ferry Terminal ↔ 1. Macau Outer Harbour Terminal 2. Taipa Ferry Terminal 3. Zhuhai	Doubled sailings and grown to 3 routes
Increase Frequency	
Taipa Ferry Terminal	TurboJET was allotted 2 berths out of 8 in service
Hong Kong-Zhuhai-Macau Bridge	
Shun Tak & CITS Coach (Macao) Limited	Won tender for being a party of the sole shuttle bus consortium



New Taipa Ferry Terminal

## Upgrading TurboJET's Premier Service

### - Offering Complimentary Land Transfer

#### Premier Plus Airport:

Hong Kong International Airport <=> Hong Kong Macau Ferry Terminal (Sheung Wan)

#### Premier Plus Macau:

Macau Outer Harbour Ferry Terminal <=> Destination in Macau



Premier connection –sea to land



# 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. **Artyzen Hospitality Group (“AHG”) made milestone progress in the year, as it opened its first two branded hotels for business.** However, 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), representing a 118% improvement.



Artyzen Habitat Dongzhimen Beijing  
– feel at home

## Excited about Artyzen

Location	Hotel	Opening Date
Taipei, Taiwan	citizenM Taipei North Gate	Aug 2017
Beijing, China	Artyzen Habitat Dongzhimen Beijing	Sep 2017
Shanghai Mix-C, China	Artyzen Habitat Hongqiao	2018
Shanghai Mix-C, China	citizenM Hongqiao	2018
Nanjing, China	Artyzen Sifang Nanjing	2018
Kuala Lumpur, Malaysia	citizenM (Bukit Bintang)	2018

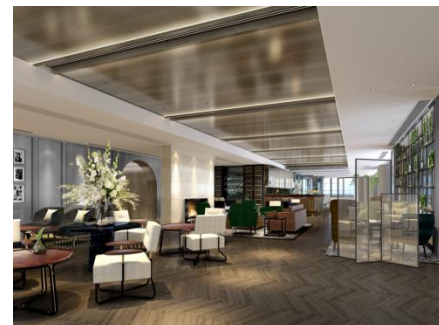


citizenM Taipei –  
where mobile citizens meet

In addition to 2 non-branded hotel management contracts in Macau, Artyzen will be operating 8 hotels with approximately 1,900 keys by the end of 2018.

## Membership Club

The Group is expanding its realm of hospitality services and is developing a **private business membership club “Artyzen Club”, slated for opening in the second quarter of 2018.** Stay tuned for more news!



Artyzen Club –  
Cozy Lounge (rendering)



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 promising prospects ahead. Yet, as dividend payout from Sociedade de Turismo e Diversões de Macau, S.A. (“STDM”) booked by the Group in 2017 reflected the trough of performance by SJM Holdings Limited (“SJM”) from a year ago, the division has posted a decline in profits at HK\$135million (2016: HK\$197 million).

## Quite a start for 2018...

### Share Repurchase Program

Shun Tak (“Company”) has exercised its powers to buy back shares under the general mandate granted by the shareholders of the Company to the Board at the annual general meeting on 23 June 2017. In the first two months of 2018, the Company has bought back approximately 0.9% of public float. The highest purchase price per share was HKD 3.28 and the lowest price per share was HKD 3.07, with average purchase price per share approximately at HKD 3.19.

Management strongly believes in the outlook of Company’s performance, assets’ value and business prospects. The share repurchase program will be actively managed during the right market conditions.

### Stepping into Healthcare Investment Property

In January, the Group and some minority shareholders have entered a joint venture (“JV”) with Perennial REIT, a multi-project partner, to invest in healthcare integrated mixed-use developments in China, with **proximity to high speed railway stations**. Each integrated mixed-use development will host a medical hub, commercial, hotel, and serviced apartments. Shun Tak has an interest of 30% in JV’s total commitment of USD 500 million. Shun Tak is primarily responsible for the hotel, asset and project management in this JV.

### Sales!

In February, a pre-sale of **Nova Grand** (Phase V) has brought **cumulative sales to nearly 63%**.

Leasing is well underway at **Nova Mall**, the **only lifestyle shopping mall in Macau** which is planned to house a diverse range of tenants including a cineplex, a supermarket, a flagship international store and an exciting array of differentiated lifestyle brands and dining options. We are optimistic in attracting more prospective and quality tenants to bring convenience and highly sought after brands to shoppers.

**19<sup>th</sup> National Congress of the Communist Party of China:**  
*acceleration of healthcare modernisation is the priority to a prosperous nation and strong country.*



# Event

## Nova Grand (Phase V of Nova City) Showflat Tour

Lastly, our sales team has renovated the showflats for viewing at the Macau Tower! Please register with us if you would like to be on the mailing list for tour details!

### General Enquiries

Email: [ir@shuntakgroup.com](mailto:ir@shuntakgroup.com)

### Website

[www.shuntakgroup.com](http://www.shuntakgroup.com)



*Nova Grand showflat at Macau Tower*



*Nova Grand – Taipa, Macau*

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