For Immediate Release

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 2019

Financial Highlights (For the six-month period ended 30 June 2019)			
	1H2019 (HK$'000)	1H2018 (HK$'000)	Difference (%)
Revenue	11,809,371	1,995,986	↑492
Profit/(Loss) attributable to owners of the Company	3,409,407	306,933	↑1,011
Profit attributable to owners of the Company (excluding unrealized fair value changes on investment properties)	3,403,733	185,645	↑1,734
Earnings/(Loss) per share (HK cents):			
- Basic	112.7	10.1	↑1,014
- Diluted	112.7	10.1	↑1,014

(August 26, 2019 - Hong Kong) Shun Tak Holdings Limited ("Shun Tak" or "the Group"; stock code: 242) posted revenue of approximately HK$11,809 million over the first six months of 2019, representing a 492% year-on-year increase. Excluding the unrealized fair value changes on investment properties, profit attributable to shareholders registered 1,734% increase at HK$3,404 million for the first half of 2019. Basic earnings per share is HK112.7 cents. The Board has resolved not to declare an interim dividend (2018: Nil).

"Clouded by a multitude of external challenges including global trade tension, socio-political unrest and a general downturn in consumer confidence, the group anticipates considerable headwind in the latter half of 2019 which may erode full year results. The Group will continue to exercise prudence and reinforce cost control measures to weather such impact, which may potentially stagger performance for an extended period of time." remarked Ms. Pansy Ho, Group Executive Chairman and Managing Director of Shun Tak Holdings Limited.

Property

In the first half of 2019, the Group recorded exceptionally strong results from its property division. The most significant contribution to these results was profit recognition from contracted sales at its Nova Grand residential development in Macau. In the period, almost 900 completed residential units at Nova Grand were handed over to purchasers, contributing to a significant increase in profit for the division at HK$5,843 million (1H2018: HK$179 million), representing a year-on-year increase of 3,168%. Elsewhere, the Group continued to engage in a diversified range of property developments in China and Singapore, many of which are expected to come onto the market from 2020 onwards.

In Macau, a total of 33 residential units at Nova Grand were newly contracted for sale in 1H2019. Revenue from 887 previously sold units was recognised upon handover to purchasers. In total, 77% of the residential units in Nova Grand had either been contracted for sale or handed over by the end of the period under review, with the remaining 23% of the units scheduled to be launched for sale from 2H2019 onwards.

Meanwhile, the Group has been diligently preparing for the planned soft opening of

Nova Mall in late 2019 or early 2020. Following earlier confirmation of several major anchor tenants, further prospective tenants have shown strong interest in establishing premises in the mall. The Group expects the grand opening of the mall to commence with a retail occupancy rate of around 85%.

In Hong Kong, the last two duplex residential units in Chatham Gate, each with two carparks, were contracted for sale for a total consideration of HK$263 million in May 2019. Completion of the transactions is expected in early 2020.

In China, the Group's diverse portfolio of mixed-use developments has been progressing well as planned.

In Beijing, Shun Tak tower achieved an average office occupancy rate of 92% in 1H2019. At Beijing Tongzhou Integrated Development, a multi-facility business complex encompassing retail space, office space and residential units, construction proceeded steadily with completion scheduled for 2022 and 2023, in two phases.

In Shanghai, Qiantan Mixed Development will be developed into a complex covering 140,500 square metres of total gross floor area, comprising offices, retail space, basement retail, a 5-star hotel and an arts and cultural centre. The Group expects the construction of superstructure for the office and retail zones to begin in the second half of the year, with completion of the complex planned for 2023.

In Hengqin, presale for Hengqin Integrated Development will begin in 2020, in anticipation of completion of construction in the same year.

In partnership with Perennial Real Estate Limited, two large scale "health cities" in Tianjin and Kunming are entering the planning stage.

The Tianjin South HSR Integrated Development will include the provision of general hospital, eldercare facilities and apartments, as well as retail and hospitality components spanning 304,000 square metres. Due to its immediate proximity to the Tianjin South High Speed Railway Station, will be well-positioned to service the emerging ‘Jing-Jin-Ji’ megalopolis. Construction is targeted to begin in Q4 2019, with operations expected to begin by 1H2023.

Kunming South HSR Integrated Development will comprise hospitality, medical care, eldercare, MICE, and retail components across a proposed gross floor area of approximately 510,000 square metres. Construction is due to begin in 1H2020, with the site becoming operational in 1H2024.

Beyond Greater China, the Group’s property projects in Singapore are also proceeding steadily on track.

111 Somerset Road, Singapore is a mixed commercial development that includes offices, medical suites and a retail podium. Profits arising from sales of eight of the office units were recognised in 1H2019, while a total of 18 office units and one medical suite were contracted for sale during the period.

Two premium residential projects near Orchard Road, including Park House (GFA of 129,000 sq. ft.) and 14&14A Nassim Road (GFA of 93,033 sq. ft.), are both under design and planning stage.

Transportation

The Group’s passenger ferry business between Macau and Hong Kong continued to be impacted by changing travel patterns resulting from the opening of the Hong Kong -Zhuhai-Macau Bridge (“HZM Bridge”) in 2018. In the first half of 2019, TurboJET’s Hong Kong-Macau route carried a total of 4.6 million passengers, representing a year-on-year decrease of 32%. This led to a loss for the period of HK$70 million (1H2018: profit of HK$186 million). In the face of new infrastructure and other factors that are influencing travel demand across the entire Greater Bay Area, the Group's transportation division has been working proactively to enhance its service offerings, adjust its services and improve its operational efficiency to capture new opportunities arising.

In Macau, TurboJET launched a new Taipa-Kowloon sailing route in March 2019 in anticipation of the development of new market segments generated by traffic connecting with the forthcoming Macau Light Rail Transit System in Taipa, which is set to commence operation in late 2019. Meanwhile, its Macau Cruise operations have expanded the routes to connect the Taipa Ferry Terminal, Macau Fisherman's Wharf and Coloane Pier, with new scenic spots around Macau being considered for the future.

In March, the Group's joint venture company, Hong Kong International Airport Ferry Terminal Services Limited, was awarded its third consecutive contract by the Airport Authority Hong Kong for the management of the ferry operations at SkyPier for three years, from July 2019 to 2022.

On Land, Shun Tak & CITS Coach (Macao) Limited recorded HK$70 million in revenue and operated a fleet of 142 vehicles as at 30 June 2019.

Hospitality

The Hospitality Division is going through a development stage and paving its way for future growth. Over the period, recently launched hotels under Artyzen Hospitality Group ("AHG") in China and foreign destinations need time to gain a stronger foothold. Meanwhile, the Artyzen Club which opened last year is striving to establish its reputation as a comprehensive urban club, with membership subscription gradually growing. With the combined investments of these undertakings, the division is posting HK$25 million in loss (1H2018: HK$8 million in loss).

For hotels in operation, the Hong Kong SkyCity Marriott Hotel was able to capitalize upon major events hosted at AsiaWorld-Expo to increase revenue from the MICE segment. In Macau, Mandarin Oriental, Macau achieved an average occupancy rate of about 74% while Grand Coloane Resort maintained an average occupancy rate above 70%.

In China, Artyzen Habitat Dongzhimen Beijing, opened in September 2017 recorded a satisfactory average occupancy rate of approximately 77%.

Artyzen Habitat Hongqiao Shanghai, the most recent of the Artyzen own-brand hotels has yet to record a full-year performance. The hotel is gradually picking up on occupancy, and is targeting to achieve an average of 70% occupancy by year end.

In Singapore, the Group is in the process of developing No.9 Cuscaden Road, into a 5-star luxury hotel with no fewer than 142 rooms. Construction is targeted for completion in mid-2021, with opening planned in 2022.

In the first half of 2019, the Group's hotel management solutions provider AHG achieved an encouraging 9% growth in total income year on year. This was due to solid business growth both from its existing hotels in the Mainland, Macau and Hawaii, and the new Artyzen Habitat Hongqiao Shanghai, which opened in 2018. Currently, AHG has a pipeline of nine new Artyzen branded hotels under development in China.

The Group's recently launched Artyzen Club is gradually establishing its membership base and popularity among the business community. Over 250 member subscriptions have been recorded as at 30 June 2019.

Shun Tak Travel, representing the Group's full-service travel and MICE arm, generated revenue of HK$19 million in the first half of 2019 (1H2018: HK$23 million).

Investment

The Group has an effective interest of approximately 11.5% in Sociedade de Turismo e Diversões de Macau, S.A. (“STDM”), which itself has an effective shareholding of approximately 54.1% in Hong Kong-listed company SJM Holdings Limited, owner of the entire shareholding interests of Sociedade de Jogos de Macau, S.A. This latter body is one of six gaming concessionaires licensed by the Macau SAR Government to operate casinos in Macau.

As a result of the Group’s interest in STDM, it received annual investment revenue for the period in the form of dividends. The investment division recorded a profit of HK$89 million (1H2018: HK$74 million), representing an increase from the previous period of 20%.

The Group is leveraging its experience of local markets to manage change effectively and to identify new opportunities as they arise. It is therefore confident that it can continue to provide investors with satisfactory returns in the future.

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