For Immediate Release

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

Shun Tak Announcing Annual Results for Year 2021

Financial Highlights			
	2021 (HK$'000)	**2020 (HK$'000)**	**Difference (%)**
Revenue,	**4,829,794**	**4,190,309**	**↑15%**
Profit attributable to owners of the Company	**962,431**	**262,440**	**↑267%**
Profit attributable to owners of the Company (excluding unrealized fair value changes on investment properties)	**1,052,319**	**1,088,959**	**↓3%**
Earnings per share (HK cents):			
- **Basic**	**31.9**	**8.7**	**↑267%**
- **Diluted**	**31.9**	**8.7**	**↑267%**
Total dividends per share (HK cents):			
- Final	**Nil**	**Nil**	**N/A**
- Special	**Nil**	**Nil**	**N/A**
- Interim	**Nil**	**Nil**	**N/A**

(March 25, 2022 – Hong Kong) Shun Tak Holdings Limited ("Shun Tak" or "the Group"; stock code: 242) announced today its annual results for year 2021, posting HK$4,830 million in revenue (2020: HK$4,190 million) and HK$962 million in profit attributable to owners of the Company, which represents a 267% increase year-on-year. Excluding unrealized fair value changes on investment properties, profit attributable to owners of the Company is HK$1,052 million, representing a 3% decrease. The Board does not recommend the payment of any final dividend (2020: Nil) in respect of the year ended 31 December 2021. No interim dividend was declared by the Board during the year ended 31 December 2021 (2020: Nil).

Property

2021 was in general a resilient year for properties. Despite lingering coronavirus concerns, the sustained low interest environment has underpinned residential transactions for years and strong liquidity in the market continued to support price and volume.

The overall retail rental correction has reached the cyclical bottom as domestic spending improved. Nonetheless, the tightening policies governing mainland capital financing for property developers and a number of adverse factors towards the end of year, including widespread outbreaks of Omicron, and cooling measures in the Singapore residential market have put a dampener on the performance of the Group's property portfolio. With the booking of earnings from the current year sales of the Hengqin Integrated Development, Nova Grand in Macau and Park Nova and Les Maisons Nassim in Singapore, the division posted a profit of HK$1,854 million, representing a 25% year-on-year decrease (2020: HK$2,468 million).

In Macau, 9 units of Nova Park, Phase 4 of Nova City, were transacted during the year, while in Nova Grand, the final phase of Nova City, 116 units have been further transacted and 123 units have been handed over to homebuyers. Nova Mall's footfall has further increased with the opening of the last anchor tenant in December. As of 31 December 2021, over 90% of lettable space has been leased. Additional local brands will be launched in the Q1 2022, bringing overall occupancy to over 85%.

In Hong Kong, the Group owns 100% interest of Shop 402 and another 55% interest in a collection of assets at Shun Tak Centre, which comprises of 213,786 square feet of retail area, 13,827 square feet of gross office area and 85 parking spaces.

In China, the Group's diverse portfolio of mixed-use developments is progressing on track as planned.

In Beijing, phase 1 of Tongzhou Integrated Development is expected to complete in 2023 with pre-sale of apartments expected in the same year. Meanwhile, Shun Tak Tower Beijing posted an average office occupancy rate of 78% during the year.

In Shanghai, as a 50/50 joint venture with Shanghai Lujiazui (Group) Company Limited, construction of offices of NEW BUND 31 was completed in the end of 2021. Retail, hotel and Performing Art Center (PAC) will complete in 2023.

In 2021, the 224 sold residential units in Suhe Bay Area Mixed-use Development Project were started handing over to the homebuyers. In 2022, the Group is targeting to sell a remaining office tower on the Northern parcel, scheduling to launch the retail and pre-leasing for a 42-storey office tower on the Southern parcel.

In partnership with Perennial Holdings Private Limited, superstructure works of the two large scale “health cities” in near Tianjin and Kunming HSR stations are in progress. The projects are expected to operate in 2023 and 2024 respectively.

In South China, 421 residential units of the Hengqin Integrated Development were being sold and in August 2021, the Group started handing over the sold units to the homebuyers.

In Singapore, the leasing performance of 111 Somerset Road, Singapore remained resilient, with an average committed occupancy rate of approximately 70% of the offices and above 80% for retail as at 31 December 2021. As Singapore embraces a “live with the virus” strategy, it is expected that economic activities will gradually rebound in 2022 and improvements in returns can be yielded.

Located in the world-renowned Orchard Road Shopping Belt, Park Nova was launched for sale in May 2021 with satisfactory results. As of 31 December 2021, 31 units were sold including the 3 penthouse. As the local government introduced extra stamp duty on residential property in December 2021, this will significantly raise the cost of home ownership, particularly among foreign buyers, and become hindrance for 2022 sales.

Les Maisons Nassim is nestled in the ultra-luxurious heritage Good Class Bungalow district, offering a total of 14 units comprising 8 simplex units, 4 duplex units and 2 penthouses. As of 31 December 2021, 2 units have been transacted, and 3 units have been granted with Option To Purchase in early 2022.

Transportation

Under the stranglehold of COVID-19 which instigated radical disruptions to travel and stymied regional tourism, the division maintained its focus on rationalizing its overall transportation portfolio, including land and sea networks, to stay nimble and evolve with future recovery needs. Following almost two years of ferry service suspension with all maritime borders closed off, Shun Tak – China Travel Shipping Investments Limited suffered a substantial share of loss of HK$304 million in 2021 (2020: HK$300 million loss before the restructuring and a shared loss of HK$134 million after the restructuring).

Critical measures to conserve liquidity and restructure operation were implemented, resulting in a reduction in operating cost by 54% in 2020, and a further 58% in 2021. The Group stays committed to its long-term vision of building a cross-border multi-modal platform in support of Central Government's policy of creating a world class Greater Bay Area, and is constantly reviewing its strategy to rebalance its resources in response to the health crisis and market demands.

Following a shareholding restructure in association with China Travel International Investment Hong Kong Limited in July 2020, Shun Tak – China Travel Shipping Investments Limited became a 50/50 owned company. The two partners consolidated their fleets of cross border ferries and coaches and network advantages to drive concerted development in the Greater Bay Area. Once the pandemic stabilizes and a regional travel bubble can be established, the company will be in a competitive position to capitalize upon pent-up demand and spending power to make strong recovery.

In Hong Kong, with a complete standstill in ferry service, the company early terminated a tenancy agreement with regards to the operation of Tuen Mun Ferry Terminal in June 2021.

In Macau, a new route connecting Barra and Coloane was introduced to the sea-borne sightseeing service "Macau Cruise" in July 2021 as the new Barra Pier was launched.

In 2021, in addition to the agency arrangement with Shekou and Shenzhen ferry operators on routes between Macau and Shekou / Shenzhen, the Company entered into agency agreements with Zhuhai ferry operators to manage routes between Zhuhai and the two SARs upon port reopening and service resumption.

On land, cross boundary services including "TurboJET Cross Border Limo" service, "HK-MO Express" and "Macau HK Airport Direct" were suspended, while the "Golden Bus" traversing the Hong Kong-Zhuhai-Macau Bridge only operated with restricted frequency. Our cross border coach services to Guangdong Province have resumed operations since July 2020.

Hospitality

In 2021, despite the availability of vaccination, sporadic resurgence of Delta and the rampant spread of Omicron in the latter months led governments to reimpose stringent controls under the zero tolerance COVID-19 policy, eradicating any recovery in momentum gained earlier in the year. Quarantine-free travel between Guangdong and Macau was disrupted since summer 2021 with an uptick of cases in the region, while reopening of borders between China and Hong Kong remained up in the air. In China, the Group's hotel portfolio benefited from the resilient domestic market and performed moderately well over most parts of the year before lockdowns in multiple provinces began in the last quarter. Amid the pandemic volatility, the division posted a loss of HK$141 million (2020: HK$548 million).

In terms of hotel performance, Hong Kong SkyCity Marriott Hotel signed on as an exclusive quarantine hotel for air crews in order to secure its baseline revenue in December 2021.

In Macau, 80% of Mandarin Oriental, Macau's revenue was contributed by the China market, while the recovery in local staycations, events, spa and F&B business made up the remaining 20%. As for Grand Colane Resort, the hotel achieved a yearly average occupancy of 78%.

In Beijing, Artyzen Habitat Dongzhimen Beijing posted a 57% average occupancy for the year. In Shanghai, Artyzen Habitat Hongqiao Shanghai recorded a full year average occupancy at 60%. On the other hand, after a year of rebranding and repositioning, YaTi by Artyzen Hongqiao Shanghai recorded 27% in average occupancy over the year. Located in the Lingang Special Area of Shanghai Pilot Free Trade Zone, Eature Residences Lingang, a 128-unit hotel room apartment, was launched in December 2021.

The Group has extended its hotels portfolio in China with a number of upcoming projects. The 230-guestroom Artyzen Habitat Hotel Hengqin Zhuhai is scheduled for opening in 1H 2023 while Artyzen Habitat Qiantan Shanghai and The Shàng are scheduled for opening Q1 2022. The first keystone for the "Artyzen" brand in China, Artyzen New Bund 31, is in the process of developing into a high end lifestyle hotel with 202 rooms and expected to be completed in 2023.

The Group's first move in the hotel market in Singapore – Artyzen Singapore, is in the process of developing into a 5-star luxury hotel with 142 rooms. Under the impact of COVID-19, construction has been delayed and scheduled opening has been pushed back to mid-2023.

Artyzen Hospitality Group Limited ("AHG"), the Group's hotel management arm, engaged in pre-launch preparations for 5 new hotels scheduled to open in 2022. As at 31 December 2021, it manages 8 operating hotels. By the end of 2022, AHG will have established a significant foothold in the key city of Shanghai with its 7 properties. AHG is currently providing management services to three hotel properties in its independent collection, including Artyzen Grand Lapa in Macau, Ka'anapali Beach Hotel and The Plantation Inn in Hawaii.

Artyzen Club, an exclusive networking hub located in the central business district of Hong Kong, has a membership base of around 452 members as at 31 December 2021.

Investments

The Group is a long term investor in Sociedade de Turismo e Diversões de Macau, S.A. ("STDM"), and holds 15.8% effective interest in the Company as at 31 December 2021. STDM in turn owns an effective shareholding of approximately 53.9% in SJM Holdings Limited, which is effectively entitled to a 100% economic interest in SJM Resorts, Limited (formerly known as "Sociedade de Jogos de Macau, S.A."), one of six gaming concessionaires licensed by the Macau SAR Government to operate casinos in Macau. In 2021, dividends received amounted to HK$52 million (2020: HK$173 million), representing a significant decline of approximately 70% year on year.

The Group operates and manages Kai Tak Cruise Terminal Hong Kong in partnership with Worldwide Flight Services Holding SA and Royal Caribbean Cruises Ltd. After suffering a full year of suspension, the government allowed the resumption of "cruise-to-nowhere" in July 2021. The itineraries were enthusiastically received by locals, only the rebound was short-lived with the fifth wave of pandemic hitting the city in December.

The Group's retail division, Retail Matters Company Limited, is the franchise holder of the international toy brand "Toys'R'Us" in Macau. In 2021, an entertainment centre "FunPark" was added to the Nova Mall's store, extending a retail-entertainment experience for shoppers which successfully drove foot traffic to the store. Moreover, as the worldwide owner of the Italian gelato brand "Stecco Natura Gelaterie", a new gelato store was introduced at Tai Kwun during Christmas 2021, while a first outlet in Macau is slated to open at Nova Mall in summer 2022.

In 2021, the Group completed an acquisition of approximately 16.93% equity interest in Phoenix Media Investment (Holdings) Limited at a cash consideration of approximately HK$516 million.

The Group also invested in approximately 2.0% interests in WM Motor Holdings Limited ("WMMH") through entering into a share purchase agreement and a share exchange agreement with WMMH, a company principally engaging in the manufacturing and sales of electric vehicles in China through its subsidiaries.

2021 marks the second year of the health crisis. Over the first half of year, the economy underwent steady rebound with a waning of disruptions generated by the COVID-19 shock. Despite prolonged border closure, societies regained some normalcy as social distancing measures attenuated, driving retail recovery and unemployment down. In contrast, the latter half of year became increasingly challenging under the combined menace of Delta and Omicron. From pockets of sporadic outbreaks across China to a full-fledged fifth wave in Hong Kong since December, many sectors of the economy face bleak outlook.

Throughout the pandemic, the Group has demonstrated resilience and resolution, taking firm steps to ensure pipeline projects progress as scheduled and that existing operations are reinvented to become futureproof and positioned for sustainable growth. The Group will continue to monitor market situations and pragmatically deploy resources in the best interest of the shareholders.

-End-

For enquiries, please contact:

Corporate Communications	Investor Relations
Tel: +852 2859 3221	Tel: +852 2859 3303
Email: pr@shuntakgroup.com	Email: ir@shuntakgroup.com