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 Annual Results for Year 2016

Financial Highlights			
	2016 (HK$'000)	**2015 (HK$'000)**	**Difference (%)**
Revenue	**3,851,931**	**4,405,312**	**↓ 13%**
(Loss)/Profit attributable to owners of the Company	**(587,137)**	**744,670**	**↓ 179%**
Profit attributable to owners of the Company (excluding unrealized fair value changes on investment properties)	**30,206**	**548,303**	**↓ 94 %**
(Loss)/Earnings per share (HK cents):			
- **Basic**	**(19.3)**	**24.5**	**↓ 179%**
- **Diluted**	**(19.3)**	**24.5**	**↓ 179 %**

(March 27, 2017 – Hong Kong) Shun Tak Holdings Limited ("Shun Tak" or "the Group"; stock code: 242) announced today its annual results for year 2016, posting HK$3,852 million in revenue (2015: HK$4,405 million) and HK$587 million in loss attributable to owners of the Company, which represents a 179% decrease year-on-year. Excluding unrealized fair value changes on investment properties, profit attributable to owners of the Company is HK$30 million, representing a 94% decline. The Board has resolved not to declare any final dividend for the year (2015: HK2.0 cents per share).

"2016 has been atypically challenging due to a host of external headwinds, further exacerbated by a revaluation loss on One Central and an impairment loss from a hotel site. Although they are both non-cash in nature, they have had a substantial impact on our financial results. Yet, we have locked in solid profit from property sales to be recognized in the next fiscal year, and we are confident that our core competitiveness will only grow stronger" remarked Ms. Pansy Ho, Managing Director of the Group. "In particular, we have laid the key planks in our diversification plan through new projects acquired in Shanghai and Singapore. Through our disciplined, patient and committed approach, we are now well positioned to capitalize upon the best growth opportunities in some of the most dynamic economies in Asia."

PROPERTY

Despite underlying concerns in the global socioeconomic environment, including an impending interest hike and softened growth in Mainland China's economy, the real estate markets in Hong Kong and Macau have remained relatively active in 2016. The Group has capitalized upon the opportunity to launch a number of projects, including the Chung Hom Kok Collection and presale of Nova Grand. All projects under development are progressing on schedule, while satisfactory rental reversion in renewals and new lettings has been achieved. Nonetheless, due to a lag time in revenue recognition from sale of properties, the division has recorded a decreased profit of HK$124 million over the year (2015: HK$383 million).

In Hong Kong, the Chung Hom Kok development has been purchased by a PRC investor at a consideration of HK$1,588 million, with the transaction completed in January 2017.

In Macau, the Group has launched the remaining inventory of Nova Park in November, selling 7 residential units at an average price of around HK$9,300 per square foot, bringing cumulative number of units sold to 99% of all available units.

In December, the last phase of Nova City titled Nova Grand, comprising over 2.3 million square feet of residential units in eight towers, was launched to market. Approximately 400 units of 2-bedroom and 3-bedroom apartments have been marketed and sold during the first batch of presale with exceptional popularity. Foundation works have been completed and superstructure works are in progress with completion scheduled for late 2018.

Below the eight residential towers is a 655,000 square feet lifestyle mall. 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- the largest of its kind in Macau. In June 2016, the Group has entered into a sale and purchase agreement with HIP Company Limited, a wholly-owned subsidiary of the Abu Dhabi Investment Authority, to jointly hold this retail mall on a 50:50 basis.

In consideration that the Macau SAR Government is continuing to review the Master Plan of Nam Van area, the Group has renegotiated its position with the original sellers of the site in November 2016, in order to facilitate future strategizing of its investment in accordance to the best interest of its shareholders.

In China, Shun Tak Tower in Beijing Dong Zhi Men is progressively getting leased. As of 31 December 2016, its office component attained an occupancy rate of 52%, while its 138-room Artyzen Habitat is slated for opening in mid-2017.

A number of integrated projects under development, including a hotel property at Shanghai MixC, Beijing Tongzhou Integrated Development and Hengqin Integrated Development project, are all progressing as planned. The first has an expected completion in 2018 and the latter two in 2019.

The Group made two important acquisitions within the year.

In August 2016, the Group acquired a site at No. 9 Cuscaden Road, at a consideration of SG$145 million or approximately HK$835.2 million. The 25,741 square feet land parcel is located within the central business district in Singapore, surrounded by a number of tourist attractions and renowned hotels. The Group is considering to redevelop the property for hotel purpose.

In November 2016, the Group formed a 50:50 joint venture with Shanghai Lujiazui (Group) Company Limited to acquire the land use rights of a 26,707 square meters site in Qiantan at a consideration of approximately RMB1,950 million, to develop office space, retail, hotel and an art and cultural centre. The total investment of the entire project is expected to be approximately RMB6,000 million (or approximately HK$6,900 million) with project completion scheduled for 2022.

TRANSPORTATION

Sluggishness persisted in the tourism industry over the first three quarters, with visitor arrivals curbed by a strong local currency and intensifying competition from other destinations vying to capture market share from Mainland visitors. As a result, TurboJET's flagship Hong Kong-Macau ferry routes have collectively registered 14 million passengers, representing a moderate decline of 4%. However, the company has been successful in weathering the downturn through disciplined yield management and strategic product diversification. In particular, its Premier Grand class has expanded by 270% in the last five years, providing major impetus of growth for the company. The market momentum improved towards year end and fuel price remained at low level. The division concluded with 11% increase in profit at HK$394 million (2015: HK$356 million).

TurboJET has been at the forefront of revolutionizing maritime transportation, forging an extensive transport network in the Pearl River Delta region. Apart from enhancing its offers, TurboJET is constantly striving to expand its network. In January 2016, it commenced management of the Tuen Mun Ferry Terminal. Leveraging Tuen Mun’s central location within the Pearl River Delta and its streamlined public transportation system, TurboJET launched services to Macau and Shenzhen Airport Fuyong Ferry Terminal, which quickly gained popularity. In April, a new route to Taipa was added, and later in September, another one to Zhuhai was introduced. In the future, as new infrastructure projects such as the Tuen Mun-Chek Lap Kok Link, Tuen Mun Western Bypass and Tuen Mun South Extension come on line, the Tuen Mun Ferry Terminal will further consolidate its role as an important node in regional cross-boundary travel.

HOSPITALITY

Hong Kong and Macau tourism continued to suffer from strong headwind and maintained the downward momentum from the preceding year. Catalysts for this decline include a strong local currency, weakened growth in China's economy, and tightened visa policy for Mainland visitors. The dip was particularly significant in the first six months, with arrivals only picking up in the latter half of the year to narrow the gap. In Macau, as new integrated hotels and resorts vied for market share by pursuing aggressive pricing, independent hotels were faced with serious challenges. In 2016, the hospitality division registered a loss of HK$263 million (2015: HK$95 million in profit), mainly attributable to an impairment loss of HK$344 million, representing a 378% year-on-year decline in return.

In terms of hotel performance, Hong Kong SkyCity Marriott Hotel posted an annual average occupancy rate of 86%. In Macau, Grand Coloane Resort and Mandarin Oriental, Macau recorded 68% and 45% in occupancy rate respectively.

Artyzen Hospitality Group, a subsidiary under the Group which specializes in hotel management solutions, has signed a number of new management contracts in 2016.

It has entered into a management contract with Shanghai Lujiazui Xinchen Investment Co. Ltd to manage two new hotels, a 300-room Artyzen Hotels & Resorts and a 350-room Artyzen Habitat, co-located at the Shanghai Lingang New City with scheduled completion in 2021. Moreover, it will be managing a convention centre and a serviced apartment which are to form part of that vibrant community. It has also confirmed an estimated 160-room Artyzen Hotel located at the Sifang Collective site outside of Nanjing.

Other pipeline hotels announced earlier include a 267-room citizenM Taipei at Ximending, and a 138-room Artyzen Habitat Dongzhimen Beijing, both to be opened in 2017. In 2018, a 303-room citizenM hotel and a 188-room Artyzen Habitat hotel as part of Shanghai MixC, will also become operational.

INVESTMENTS

The investment division recorded a profit of HK$197 million (2015: HK$278 million), representing a setback of 29%, as dividend payout from Sociedade de

Turismo e Diversões de Macau, S.A. ("STDM") continued to remain at low levels under the declined gaming performance and reduced visitor spending in year 2015, the effect of which is fully reflected in the Group's dividend received in 2016.

Kai Tak Cruise Terminal received 95 berthings and 372,946 visitors in year 2016, with 143 ship calls scheduled for year 2017, representing an encouraging increase of 1.5-fold. As of 31 December 2016, 87% 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	Investor Relations
Tel: +852 2859 4823	Tel: +852 2859 3303
Email: pr@shuntakgroup.com	Email: ir@shuntakgroup.com