信德集團
SHUN TAK HOLDINGS

(Incorporated in Hong Kong with limited liability)
(Stock code: 242)
website: http://www.shuntakgroup.com

For Immediate Release

Shun Tak Announces 2015 Interim Results

Financial Highlights (For the six-month period ended 30 June 2015)			
	1H2015 (HK$'000)	1H2014 (HK$'000)	Difference (%)
Turnover	2,127,789	3,726,314	↓42.9%
Profit attributable to shareholders	387,190	1,102,051	↓64.9%
Profit attributable to shareholders (excluding revaluation surplus on investment properties)	272,764	533,687	↓48.9%
Earnings per share (HK cents):			
Basic	12.7	36.5	↓65.2%
Diluted	12.7	35.7	↓64.4%

(August 25, 2015 - Hong Kong) Shun Tak Holdings Limited ("Shun Tak" or "the Group"; stock code: 242) posted a turnover of approximately HK$2,128 million over the first six months of 2015, representing a 42.9% year-on-year decline. Excluding the revaluation surplus on investment properties, profit attributable to shareholders registered 48.9% decline at HK$273 million for the first half of 2015. Basic earnings per share are HK12.7 cents. The Board has resolved not to declare an interim dividend (2014: HK5.0 cents).

"2015 has seen many challenging headwinds negatively impacting market's confidence across both Hong Kong and Macau. However, leveraging on the Group's experience in the industry and timely responses to such changes, our transportation and hospitality divisions remained resilient, while property division also locked in satisfactory sales," said Ms. Pansy Ho, Managing Director of Shun Tak Holdings Limited.

Property

Entering 2015, Hong Kong real estate market remained resilient despite a number of external undercurrents. On the contrary, Macau properties have been sluggish, as investment sentiment is negatively affected by the setback in economic performance. Developers have generally delayed first-hand property launches. Despite so, the Group has successfully sold almost all units at Nova Park during the period, achieving prices that exceeded market expectations. The division registered a profit of HK$151 million (1H 2014: HK$563 million) during the period.

In Hong Kong, five luxury residential houses in a premium and tranquil location at Chung Hom Kok have completed fitting out works and the occupation permit was issued in February 2014. The Group is currently planning its sales launch in the latter half of 2015.

In Macau, the Group has achieved solid sales for Nova Park, with 118 residential units sold during the first half of 2015, bringing the cumulated number of sold flats to 611 units or 99%. The last recorded average selling price for the batch launched in June 2015 reached around HK$11,300 per square foot.

In China, Beijing Tongzhou Integrated Development, a 6.8 million square feet G.F.A complex comprising retail, office and serviced apartments is expected to complete in 2018. Shun Tak Tower, another project in Beijing near East 2nd Ring Road rising 21 levels above ground and 4 levels below to offer 419,000 square feet of office and hotels, is currently undergoing fit-out. Leasing of office units is in progress while the hospitality component is scheduled for completion in the first quarter of 2017. In Southern China, the Hengqin Integrated Development project will comprise office, hotel, commercial, and serviced apartments, spanning a gross floor area of approximately 131,089 square meters. Foundation works is in progress and the occupation permit is expected to be obtained in 2018.

In April 2015, the Group agreed to acquire a hotel property with gross floor area of approximately 29,000 square meters at Shanghai MixC integrated commercial development project, at a consideration of approximately RMB700 million. The property will be operated by the Group’s hotel management subsidiary, Artyzen Hospitality Group (“AHG”) to extend two hotel product offerings totaling 478 rooms. Operation is expected to commence in the first quarter of 2018.

Transportation

The transportation division fared remarkably well in the first six months of 2015, benefitting from both higher yield and depressed fuel costs. Nonetheless, TurboJET’s flagship Hong Kong-Macau route experienced a marginal decrease of 2% in terms of passenger throughput, attributable to weakened tourist arrivals in both Hong Kong and Macau. However, the company was able to weather the decline as newly approved ticket prices implemented in October 2014 and low fuel costs contributed to maintaining profitability.

Its Premier Grand class delivered strong returns over the first half of 2015, exhibiting a 43% year-on-year surge; while its SkyPier air-sea routes continued to be well received by international travelers, achieving record-setting passenger volume at 1.4 million in the same period.

On land, Shun Tak & CITS Coach (Macao) Limited, which operates coach rental services within Macau locally as well as cross-border PRC routes, has a fleet of 130 vehicles in service and recorded HK$47 million in revenue over the first six months of 2015.

In 2013, the Group has taken an equal third share in Jetstar Hong Kong Airways Limited (“JHK”), partnering with Qantas Group and China Eastern Airlines. However, in June 2015, JHK received the decision from Air Transport Licensing Authority that it does not have its principal place of business in Hong Kong and hence its application for the licence to operate scheduled air services was rejected. After reviewing the decision and potential course of actions, the Group has resolved not to further invest in the business of JHK and proposed to terminate its establishment and proceed with its winding-up. The investment in JHK is relatively insignificant to the results of the Group.

Hospitality

The uptrend in Hong Kong and Macau tourism performance began to level off in the first half of 2015, coinciding with an economic slowdown in China, the principal source market. Against this background, the lingering effect of austerity in China and aggressive pricing from newly opened mega hotels in Cotai Macau also compounded pressure on the Group’s hotel businesses.

In terms of hotels’ performances, Hong Kong SkyCity Marriott Hotel maintained stable average occupancy at 82% and comparable revenue year-on-year. However, in Macau, Grand Coloane Resort (former Westin Resort Macau) and Mandarin Oriental, Macau only registered an average occupancy rate of 56% and 48% respectively.

Despite the challenges, the Group’s hospitality division posted HK$49 million in profit (1H 2014: HK$42 million), representing a 18% year-on-year increase, taken into account additional management fee generated by Artyzen Hospitality Group from new hotel management contracts.

Investments

The investment division recorded a profit of HK$169 million (1H 2014: HK$216 million) over the first half of 2015, with the year-on-year decline mainly attributable to a lower dividend payout by Sociedade de Turismo e Diversões de Macau, S.A. ("STDM"). Since June 2014, Macau gaming market has entered an adjustment period, the constrictive effect of which is beginning to reflect fully.

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.

For media enquiries, please contact:

Karen Lee

Associate Director- Corporate Communications

Email: karenlee@shuntakgroup.com

Tel: +852 2859 4823