

IR NEWSLETTER 2015

In This Issue... You will find a recap of our achievements made in 2014 & a brief update of our business segments and market trends in 2015. Below are the key highlights.



Property projects' engines went full throttle

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- Macau – Nova Park & Nova City 5 (Page 3)
- Hong Kong – Chatham Gate, The Belcher's carparks & Chung Hom kok (Page 3-4)

Transportation services betterment continues

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Property

Key Growth Driver of 2014

Driven by strong sales, property division's operating profit increased by 309% to HKD 4,246 million in 2014. What will keep us busy in the coming years? Let's take a look.

PRC Property Market

What is happening in Hengqin?

(Hengqin Integrated Development: Hospitality / Serviced Apartment / Office / Retail)

Hengqin, a stone throw away from Macau by a connecting bridge, has been undergoing major changes in the past few years to be formerly inaugurated as Free Trade Zone on April 23rd, 2015. The beginning changes from a farming island into a global tourism destination brought about a 20-fold increase in GDP – RMB 285 million in 2009 to RMB 5.8 billion in 2014.

Shun Tak's mixed development project of approximately 131,000 sq. m. GFA is on schedule, with foundation works in progress. The surrounding infrastructure is quickly shaping up the landscape. As our site is connected to the cross-border custom office, the proximity to Macau will allow us to command for more premium prices. Current average selling price of a nearby residential project, Sea of Dreams, is over RMB 40,000 psm.

News in Hengqin

24-Hr Border Extension

The border between Macau and Hengqin has extended its border crossing to 24-hours. Passenger volume of the round-the-clock checkpoint is expected to reach 50,000 to 60,000 daily compared to less than 20,000 people when it was only operating for 12-hours.

Growth in Tourism

Chimelong International Ocean Tourist Resort, opened in January 2014, received around 6.5 million visitors during the year, creating a boost to the tourism industry in Hengqin.



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 MSCI Hong Kong (Small Cap) Index and the Hang Seng HK MidCap Index.

Company Overview

Stock code:0242HK
Share Price: HK\$ 4.29
Market Cap: HK\$ 13.1B
No. of Issued Shares: 3.0B

*Closing price as at 30 Jun 2015

Beijing Property Market

Beijing's property sector picked up again amid the efforts by the Central Government to juice up the growth. The move to relax the bank reserve requirement ratios and interest rate cuts, effectively injected trillions of liquidity into the economy since 4th quarter of 2014. Other efforts included loosening of credit and lowering of down payment requirements on March 30th, 2015. According to official data, new house sales volume increased by a double year-on-year in only 6 days after the relaxation of housing loan requirements

Tongzhou, Beijing on progress.

(Tongzhou Integrated Development: Retail / Office / Hospitality / Residential)

Shun Tak has a 24% stake in phase 1 and around 20% stake in phase 2 of our approximately 634,00 sq. m. GFA JV project in Tongzhou. The project is in its foundation process and expected completion date is in 2017. The mixed-use development, fronting the Grand Canal, is part of Tongzhou's transformation into "one central city, five zones" metropolis.

During Tongzhou's 5th Annual People's Congress meeting in January 2015, officials had once again stressed the importance to accelerate the transformation of Tongzhou. The completion of the secondary city to Beijing will seal one of the major goals in the 12th Five-Year Plan. Below are some updates on Tongzhou:



News in Tongzhou

Boost in Tourism -

Universal Studios Beijing in '19

Universal Studios Beijing, a 20-30 minute drive from our site, is expected to be completed and opened to public in 2019.

Next to UNESCO World's Heritage Site

As mentioned, our site is situated next to the Grand Canal. The Grand Canal has been listed as a Unesco World's Heritage site in June 2014.

Added Convenience -

Metro line now in operation

The major subway line, M6 line, connecting Beijing CBD to our mixed-use development, has been in operation since December 2014. According to commuters, traveling time to work (CBD) has shortened by 20 minutes with the added convenience.

The monorail, S6 line, connecting to our site and other districts, is targeted to be in operation by 2020.

To complement the growing traffic in Tongzhou, the Government has increased vehicle registrations by 6,000 in 2014 to meet demand.

Tongzhou Property Market

Needless to say, one of the most frequent questions is the expected selling price of our mixed-development project. While the completion date is still far, we can only provide prices of the surrounding new projects in Tongzhou for your reference.

For comparables, we have picked Tongzhou Wanda's mixed-use development, Beijing One and M5, new primary residential units are asking for around RMB 31,000 to 50,000 psm. Last twelve month's average transacted price in Tongzhou is around RMB 22,000 psm in secondary market. Grade A offices at Tongzhou Wanda and Beijing One, are asking for around RMB 24,000 – 30,000 psm and retail shops in their malls are asking for around RMB 60,000 – 80,000 psm.

Shun Tak Tower is Leasing Out

(Shun Tak Tower: Office / Hospitality)

Located in Beijing 2nd Ring, Chaoyang, the office and apart-hotel building, with a GFA of approximately 38,900 sq. m., is almost ready! The office space is being leased out while apart-hotel still needs some time for interior renovation.

Currently, Grade A offices in the area are commanding rent at around RMB 26 psm while serviced apartments is around RMB 250 – 400 psm per month.



Macau Property Market

Watch Out for Nova

(Nova Park: Residential

Nova City Phase V: Residential / Retail)

Not as optimistic as Beijing and Hengqin, Macau is feeling the pinch from the drop in gaming revenue. Total home transactions in Macau have dropped by 36% YoY to 7,218 units in 2014. However, average housing prices have increased by 21% YoY to around HKD 9,300 psf. Luxury property market is still strong with average selling price of luxury residences reaching above MOP 14,000 psf in early December 2014.

Units at Nova Park, phase 4 of Nova City targeted to white collars, are continued to be sold in 2015. The average selling price of the 2015 batches has reached over HKD 11,500 psf. The 3 residential towers in Taipa attracted strong response with majority of purchasers being local Macanese.

Substructure works is in progress for Nova City Phase V and pre-sales date will be determined after Nova Park's units have been sold. The fifth phase will be the largest phase of Nova City comprising of 8 towers with a GFA of approximately 2.3 million sq. ft. and servicing the Taipa neighborhood with a lifestyle mall of 650,000 sq. ft..



Nova Park



Nova City Phase V

**Units at Nova Park
reached over HKD 11,500 psf**

HK Property Market Last Two Units at Chatham

(Chatham Gate: Residential / Retail)

In 2014, the launches in primary market were well supported by pent up demand, prevailing low interest rate environment and various price incentives offered by developers. In 2014, we have sold Chatham Gate at an average price around HKD 17,000 psf (SFA). While tighter mortgage rules hit the market in March 2015, there is keener demand in the luxury housing market with active biddings for residential units. We have just sold another unit of Chatham Gate at an average unit price over HKD 21,000 psf (SFA) in April 2015 with 2 remaining special featured units being tendered.



**Unit sold at Chatham Gate
in Apr 15 over
HKD 21,000 psf**

The Belcher's Surprise

(Belcher's: around 260 units of car park sold)



In view of the buoyant sentiment in the property market, we launched our car parks at Belcher's and it received overwhelming responses in 2014. We sold around 260 car park units at an average transacted price around HKD 3 million in November 2014.

Five Houses In Chung Hom Kok

(Chung Hom Kok: Residential)

Luxury houses' sales volume regained momentum as developers pushed out incentives to buyers and there are pent up demand from both local and mainland buyers. Comparables situated nearby and recently sold in April 2015 recorded an average selling price over HKD 46,000 to HKD 53,000 psf (SFA) and fetched approximately HKD 130 - 170 million each. To ride on this positive trend, our five houses situated at Chung Hom Kok, Stanley, will soon be ready for sales launch. Each of our houses, sellable area ranging from around 4,400 to 6,600 sq. ft. , has its private elevator, swimming pool, garden and parking space. These well decor 4 room-houses are meticulously designed with a wealth of materials and brands selected for its fittings and finishes such as Gaggenau, Sub-Zero and Stiebel Eltron.

For more information, please refer to our sales brochure online and hard copies are also available for pick up at our office during business hours.



For instant access to the sales brochure, please scan with smart phone:



Transportation

Another Fabulous Year

TurboJET had another fabulous year in 2014. Despite the headwind of gaming industry in Macau, our transportation division recorded a 43% YoY increase in profit at HKD 236 million. This is the third consecutive year of profit growth for TurboJET while continuing to be the market leader in Hong Kong-Macau and Peral River Delta Routes.

Increase in Premier Service

To cater to the growing demand for luxury experience, we have converted more Premier Jetfoils in our fleet. We are now operating 8 Premier Jetfoils, offering Premier Grand service at a 30-minute interval. Passenger growth for Premier Grand has increased by 45% in 2014, representing the fastest growing market segment. Along with a fare increment approved for Hong Kong-Macau route in October 2014 and a sharp fall in oil price, the profitability of TurboJET has thus been enhanced.

Seamless Journey – Connecting Sea and Land

A complimentary land transit service has been introduced in March 2015. Premier Grand Passengers can enjoy free transfer services between Hong Kong Macau Ferry Terminal and Hong Kong Airport; or between Macau Maritime Ferry Terminal and any destination in Macau. Looking forward, the permanent Taipa Ferry Terminal is set to open in early 2016 and TurboJET will increase the service frequency to Taipa upon its completion.



Hospitality

Year of Transformation

2014 had been a transitional year for our hospitality division. We are stepping into the hotel management business with our own brands. Along with our strategic shareholdings in three hotels in Hong Kong and Macau, we are in a supreme position to tap into the growing tourism demand in the Greater China Region.

In 2014, there were more than 30 million people visiting Macau and more than 60 million tourists visiting Hong Kong, a 7.5% and 12.0% YoY increase respectively. With record-breaking number of visitor arrivals, our hotels experienced strong occupancy rate and room rate last year. Collectively, the hospitality division concluded the year with a profit of HKD 92 million in 2014, representing a YoY growth of 31%.

Stay Tuned for Artyzen's New Moves

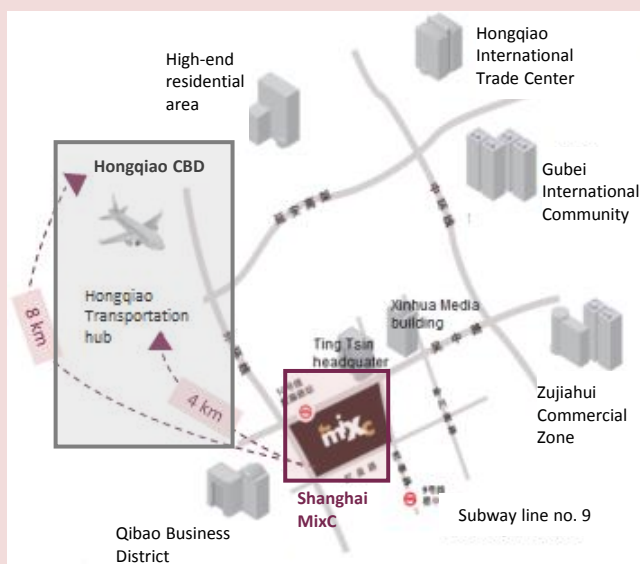
After announcing our first branded hotel management company, Artyzen Hospitality Group (“AHG”), in July 2013, we announced 3 brands under AHG in 2014 to target different market segments: Zitan, Artyzen Hotels and Resorts and Artyzen citizenM Asia. We plan to rollout the first citizenM hotel in Taipei by June 2017, bringing its first hotel in Asia.



Westin Rebranded

AHG also took over the management of the former Westin Resort Macau in June 2014 and rebranded it as Grand Coloane Resort. A stronger occupancy rate has been recorded after the rebranding.

Stepping into Shanghai



In April 2015, we have expanded our footsteps into Shanghai by acquiring a hotel property in Shanghai MixC integrated commercial development. Our site is near Gubei international community, an area popular among expatriates. With Hongqiao Airport only 4km away, the project is surrounded by well-established business districts and is next to the upcoming Hongqiao CBD. Not only will the 479-room hotel contribute to our recurring revenue, but it will also polish and build up our hotel management portfolio.

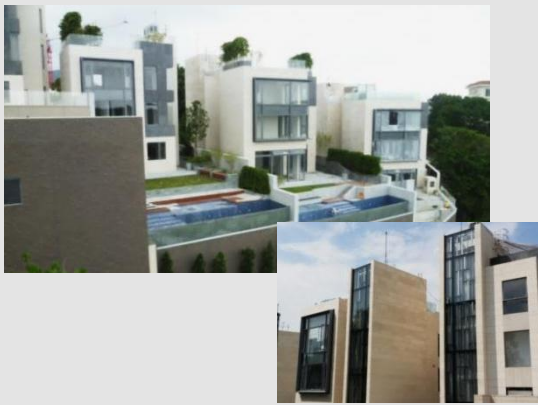
In addition to the acquisition, we have also entered into a strategic cooperation agreement with CR Land Shanghai, in which Shun Tak will have the first rights for any upcoming hotel management projects in Eastern China. The cooperation will take the group a leap closer to our vision of establishing our own tourism brand in the Greater China Region.

Looking Ahead

Going forward, we will continue to fire up our engines to execute our projects and to fork at attractive deals in the year ahead. Although there are volatilities and uncertainties ahead, Shun Tak will remain focused on its key strategies execution, maintain the same high standard of services offered and invest with continued discipline in order to balance between profitability and well-paced expansion.

Last but not least...

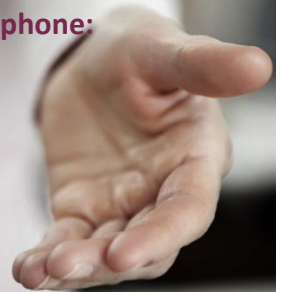
Private viewing of two Chung Hom Kok show houses would be made available later and you are most welcomed to register for a tour with us in advance.



For more information

If you are interested in knowing more about us, please visit our website www.shuntakgroup.com

For instant access to the 2014 annual result announcement, please scan with smart phone:



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