



Stock code: 0242 HK
MTN Stock Code: 5910 HK

Share Price at 4 Apr 19: HK\$ 3.52
Market Cap: HK\$ 10.6B
52-week range (HKD): 2.37 – 3.85
No. of Issued Shares: 3.025B

Company Profile

Established in 1972, Shun Tak Holdings Limited ("The Group") (HKSE 242) is a leading conglomerate in Hong Kong with core businesses in property, transportation, hospitality and investment. 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 Hang Seng Sustainability Index, MSCI Hong Kong (Small Cap) Index, Hang Seng SmallCap Index, Hang Seng Stock Connect HK Index.

2018 Recap

Financial Summary

(For 12 months ended 31 Dec 18, HKD' million)

	2018	2017	Changes
Revenue & Other Income	6,916	6,641	+4%
Profit attributable to owners of the Company	4,647	1,450	+220%
Profit attributable to owners of the Company excluding fair value changes	2,529	1,242	+104%
Basic earnings per share (HK cents)	153.4	47.7	+222%
Total dividends per share (HK cents)	16.0	12.0	+33%
- Final	10.0	6.0	+67%
- Special	6.0	Nil	N/A
- Interim	Nil	6.0	N/A

Shun Tak delivered a strong set of 2018 results, with underlying profit doubling to HKD 2.5 billion, underscored by the beginning of Nova Grand property bookings in Macau along with the recognition of the disposal gain of HKD 1.3 billion on a 50% stake in Nova Mall.

Besides harvesting from traditional businesses, we also sowed new seeds during 2018, with significant steps in a number of fronts such as entering the Singapore luxury residential market, embarkation on two new JV healthcare mixed-use projects in China, commencement of the "Golden Bus" on the Hong Kong-Zhuhai-Macau Bridge, as well as the opening of an Artyzen Habitat hotel in Shanghai.

In addition to a final dividend of HK 10 cents per share, the Board also declared a special dividend of HK 6 cents per share in relation to the Nova Mall disposal gain. Payout ratio is 25.6% (excluding special dividend) and 41.0% (including special dividend).

In 2018, the Group had been actively refilling our land bank. Let us review the new projects under our belt.



Consideration:
SGD 375.5M
Site Area:
46,084 sf
Max. GFA:
129,037 sf

➤ Park House

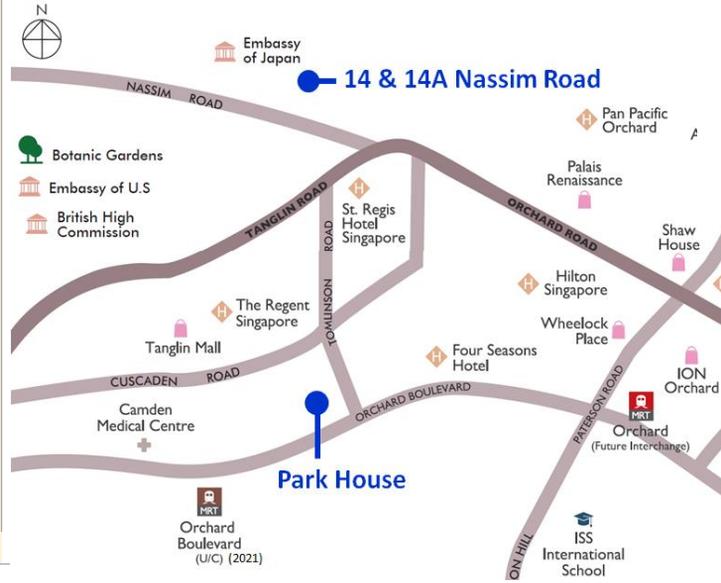


Consideration:
SGD 218M
Site Area:
66,452 sf
Max. GFA:
93,033 sf

➤ 14 & 14A Nassim Road

Expanding Footprint in Singapore

In June 2018, the Group acquired two luxury development sites at Nassim Road and Orchard Boulevard. Situated at a proximity to TripleOne Somerset (office and retail) and our hotel project near Orchard Road, the residential sites are under planning now and we are excited to welcome our first residential projects in Singapore. Completion of both projects is slated for the end of 2022 or 2023.



Formed a Healthcare JV With a Focus in Major Cities in China

The Group entered into a strategic partnership with Perennial Real Estate Holdings Ltd. in Jan 2018, in which the Group holds a 30% stake. In July and December 2018, the partnership has successfully tendered two pieces of prime sites in Tianjin and Kunming. These two sites are slated for property investment, focusing on healthcare tenants, such as hospitals and medical care, while equipped with serviced apartments, hotels and retail at proximity of respective high speed rail stations (“HSR”).



➤ Tianjin healthcare project

Tender price:
RMB 341.5M
Total GFA:
596,000 sm
By HSR: 6 hrs to Guangzhou
Link to Trans-Asian HSR network

Tender price:
RMB 718M
Total GFA:
291,000 sm
By HSR:
30 mins to Beijing;
4 hrs to Shanghai



➤ Kunming healthcare project



➤ *Nova Grand, Taipa, Macau*

Nova Grand Handover

Nova Grand, our fifth phase and last phase of Nova City, has finally been completed.

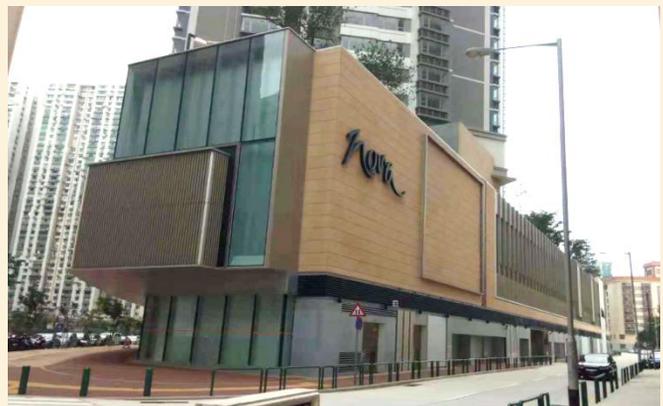
We began the handover process at Nova Grand in late 2018. Around 18% of the units sold were recognised in 2018. By the end of 2018, around 75% of all residential units at Nova Grand had been sold.

Nova Mall Opening

The Group's transaction with Abu Dhabi Investment Authority has completed as we traded in 50% stake of the mall with ~HKD 3.2 billion proceeds. The transaction brought an one-off disposal gain of HKD 1.3 billion. Total GFA of Nova Mall is 655,000 sqf.

The lifestyle mall is unique to Macau and will host wide varieties of tenants including a cineplex, a supermarket, an international furniture store, along with many and diverse lifestyle brands and dining outlets. Anchor tenants have been finalised, while the general leasing exercise for retail and F&B tenants is in progress. A fair value gain of HKD 1.2 billion for Nova Mall is recorded in 2018.

A soft opening for the mall is targeted for the fourth quarter of 2019, when the G/F and B1 levels will be fully ready for launch.



➤ *Nova Mall, Taipa, Macau*

New Bridge, New Income Stream



➤ Hong Kong-Zhuhai-Macau Bridge

With the opening of Hong Kong-Zhuhai-Macau Bridge on 24th October 2018, we took this opportunity to venture into a new income stream from the coach business. The “Golden Bus”, solely run by the consortium comprising Shun Tak and our joint venture partners, connects passengers from the start to the end of the bridge of the three cities, a popular choice for budget-friendly passengers.



➤ “Golden Bus” on the bridge



TurboJet

While TurboJET demands a higher fare, the convenience is incomparable, it captures loyal and time-conscious travelers for a hassle-free journey.

Impact from the Bridge is felt during the first few months of its opening, as novelty seekers herded over to “set foot” on the world’s longest sea crossing.

Coupled with the increase in fuel price during 2018, the transportation division recorded a 20% YoY decline in operating profit.

In March 2019, TurboJET launched a new route between Kowloon and Macau Taipa Ferry Terminal to enhance our transportation offerings and coverage in the Greater Bay Area.



Artyzen Brand Growing Strong

The hospitality management subsidiary has made a number of achievements in 2018.

In September 2018, 188-room Artyzen Habitat Hongqiao Shanghai has opened its door to travelers. As an integral part of the Shanghai MixC commercial and retail development, guests can enjoy shopping at international brands as well as a wide range of dining and entertainment options.



➤ Artyzen Habitat Hongqiao Shanghai



Hotels under Artyzen Hospitality Group

AHG is now operating 2 Artyzen branded hotels and 4 non-branded hotels. The Artyzen branded hotels are the 138-room Artyzen Habitat Dongzhimen Beijing and the 188-room Artyzen Habitat Hongqiao Shanghai. The non-branded hotels are the Grand Coloane Resort and the Grand Lapa in Macau and two hotels in Maui, Hawaii, namely the Ka'anapali Beach Hotel, and The Plantation Inn.

AHG is preparing to expand its branded portfolio, with a further 8 hotels planned for opening in China from 2021 to 2023. An Artyzen Hotel is also planned to be opened in Singapore in 2022 near the Orchard Area.



➤ Artyzen Habitat Dongzhimen Beijing

Booking and selling continue at Nova Grand

With 18% of the sold units recognised in 2018, the handover and booking pipeline of Nova Grand will carry on. The recognition of the remaining units is set to take place from 2019 onwards, generating healthy cash inflow for the Group as we receive the remaining 70% sales proceeds from buyers.

The soft-opening of Nova Mall in 4Q19 will also bring us new recurring income. We aim to achieve around 85% occupancy by the end of 2019 in its first phase of operation.



Presales for Hengqin Project

Our Hengqin Integrated Development is at a prime location in close proximity to the Lotus Bridge border facilities. The Macau Government has recently decided to relocate its Cotai Frontier to the Hengqin Border, a move which is expected to enhance the overall business development of the Special Economic Zone.

The project completion is targeted for 2020, and presale will begin in 2019.



Presales for Tongzhou Project

Tongzhou is set to become an important business district in Beijing, four key municipal organs of Beijing together with a number of departments have moved their offices from the downtown area to Tongzhou.

Completion of our Tongzhou Integrated Development located on the Grand Canal is planned for 2021/2022 in phases. Presales is expected to commence within 2019.

Site visit/meeting requests, or general enquiries:
Email: ir@shuntakgroup.com

Website:
<http://www.shuntakgroup.com>

Disclaimer

This message (including any attachments) is confidential and may be privileged. If you have received it by mistake please notify the sender and delete this message and all copies of it from your system. Any unauthorized use or dissemination of this message in whole or in part is strictly prohibited. Shun Tak Holdings Limited reserves the right to monitor all e-mail communications through its networks. Please note that e-mails are susceptible to change. Shun Tak Holdings Limited (including its group companies) shall not be liable for the improper or incomplete transmission of the information contained in this communication nor for any delay in its receipt or damage to your system. Shun Tak Holdings Limited (or its group companies) does not guarantee that the integrity of this communication has been maintained nor that this communication is free of viruses, interceptions or interference.