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SHUN TAK HOLDINGS LIMITED
信 德 集 團 有 限 公 司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 242)

Website: http://www.shuntakgroup.com

2015 Interim Results Announcement

GROUP RESULTS

The board of directors (the "Board") of Shun Tak Holdings Limited (the "Company") announces the unaudited consolidated interim results for the six months ended 30 June 2015 of the Company and its subsidiaries (the "Group").

The unaudited profit attributable to owners of the Company for the period was HK$387 million (2014: HK$1,102 million). Underlying profit attributable to the owners which principally adjusted for unrealised revaluation surplus on investment properties would be HK$273 million (2014: HK$534 million). Basic earnings per share was HK12.7 cents (2014: HK36.5 cents).

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend (2014: HK5.0 cents per share) in respect of the six months ended 30 June 2015.

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE

	Note	**(Unaudited) 2015** *HK$'000*	(Unaudited) 2014 *HK$'000*
Turnover	3	**2,127,789**	3,726,314
Other income		**146,643**	100,147
		2,274,432	3,826,461
Other losses, net	4	**(289)**	(26)
Cost of inventories sold and services provided		**(744,995)**	(2,035,697)
Staff costs		**(592,160)**	(560,804)
Depreciation and amortisation		**(77,647)**	(77,522)
Other costs		**(269,583)**	(258,646)
Fair value changes on investment properties		**159,035**	264,282
Operating profit	3, 5	**748,793**	1,158,048
Finance costs	6	**(78,177)**	(50,867)
Share of results of joint ventures		**52,269**	466,500
Share of results of associates		**(44,355)**	38,656
Profit before taxation		**678,530**	1,612,337
Taxation	7	**(60,127)**	(146,762)
Profit for the period		**618,403**	1,465,575
Attributable to:			
Owners of the Company		**387,190**	1,102,051
Non-controlling interests		**231,213**	363,524
Profit for the period		**618,403**	1,465,575
Earnings per share (HK cents)	9		
- basic		**12.7**	36.5
- diluted		**12.7**	35.7

Details of interim dividend to shareholders of the Company are set out in note 8.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE

	(Unaudited)	(Unaudited)
	2015	2014
	HK$'000	*HK$'000*
Profit for the period	**618,403**	1,465,575
Other comprehensive income/(loss)		
Items that may be reclassified to profit or loss:		
Available-for-sale investments:		
Changes in fair value	**14,833**	1,371
Cash flow hedges:		
Changes in fair value, net of tax	**(24,727)**	(34)
Transfer to profit or loss	**49,479**	(2,504)
Reversal of asset revaluation reserve upon sales of properties, net of tax	**(4,252)**	—
Currency translation differences	**(5,987)**	(51,746)
Other comprehensive income/(loss) for the period, net of tax	**29,346**	(52,913)
Total comprehensive income for the period	**647,749**	1,412,662
Attributable to:		
Owners of the Company	**386,127**	1,068,735
Non-controlling interests	**261,622**	343,927
Total comprehensive income for the period	**647,749**	1,412,662

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	(Unaudited) 30 June 2015 HK$'000	(Audited) 31 December 2014 HK$'000
Non-current assets			
Property, plant and equipment		**2,147,969**	2,197,556
Investment properties		**7,919,186**	7,686,004
Prepaid premium for land lease and land use rights		**341,993**	347,784
Joint ventures		**5,830,839**	5,990,068
Associates		**1,531,577**	1,583,049
Intangible assets		**37,132**	37,270
Available-for-sale investments		**1,011,372**	996,367
Derivative financial instruments		**—**	8,133
Mortgage loans receivable		**7,477**	9,640
Deferred tax assets		**15,325**	26,753
Other non-current assets		**324,983**	240,908
		19,167,853	19,123,532
Current assets			
Properties for or under development		**8,440,777**	7,930,387
Inventories		**2,031,781**	2,090,492
Trade and other receivables, and deposits paid	10	**1,631,395**	2,500,969
Taxation recoverable		**884**	1,142
Cash and bank balances		**15,726,973**	15,808,605
		27,831,810	28,331,595
Non-current assets held for sale	11	**14,171**	—
		27,845,981	28,331,595
Current liabilities			
Trade and other payables, and receipts in advance	10	**1,853,052**	1,802,281
Deposits received from sale of properties		**125,136**	—
Bank borrowings		**4,632,578**	2,887,000
Derivative financial instruments		**53,583**	115,871
Provision for employee benefits		**14,882**	15,166
Taxation payable		**423,708**	384,610
Loans from non-controlling interests		**757,122**	681,719
		7,860,061	5,886,647
Net current assets		**19,985,920**	22,444,948
Total assets less current liabilities		**39,153,773**	41,568,480

	(Unaudited) **30 June** **2015** ***HK$'000***	(Audited) 31 December 2014 *HK$'000*
Non-current liabilities		
Bank borrowings	**3,706,219**	6,304,045
Medium term notes	**3,139,198**	3,138,755
Derivative financial instruments	**20,871**	—
Deferred tax liabilities	**1,030,077**	1,014,014
	7,896,365	10,456,814
Net assets	**31,257,408**	31,111,666
Equity		
Share capital	**9,858,250**	9,858,250
Other reserves	**16,438,046**	16,051,919
Proposed dividends	**—**	502,007
Equity attributable to owners of the Company	**26,296,296**	26,412,176
Non-controlling interests	**4,961,112**	4,699,490
Total equity	**31,257,408**	31,111,666

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1 Basis of preparation and accounting policies

The unaudited condensed consolidated interim financial statements are prepared in accordance with the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The accounting policies and methods of computation and presentation used in the preparation of the condensed consolidated interim financial statements are consistent with those described in the 2014 annual financial statements except as stated in note 2 below.

The preparation of the condensed consolidated interim financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the consolidated financial statements for the year ended 31 December 2014. Those areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates were significant to the Group's consolidated financial statements were detailed in the 2014 annual financial statements.

2 Impact of revised HKFRSs

The following amendments and interpretations that are relevant to its operations and first effective for the Group's financial year beginning on 1 January 2015:

Amendments to HKAS 19 (2011)	Defined Benefit Plans: Employee Contributions
Annual improvement to HKFRSs 2010 — 2012 Cycle	
Annual improvement to HKFRSs 2011 — 2013 Cycle	

The adoption of the above does not have any significant impact to the Group's results for the six months ended 30 June 2015 and the Group's financial position as at 30 June 2015.

The HKICPA has issued new and revised standards, amendments to standards which are relevant to the Group's operations but are not yet effective for the Group's financial year beginning on 1 January 2015 and have not been early adopted:

Amendments to HKAS 1[1]	Presentation of Financial Statements
Amendments to HKAS 27 (2011)[1]	Equity Method in Separate Financial Statements
Amendments to HKFRS 10 and HKAS 28[1]	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to HKFRS 10, HKFRS 12 and HKAS 28[1]	Investment Entities: Applying the Consolidation Exception
Annual improvement to HKFRSs 2012 — 2014 Cycle[1]	
Amendments to HKFRS 11[1]	Accounting for Acquisitions of Interests in Joint Operation
Amendments to HKAS 16 and HKAS 38[1]	Clarification of Acceptable Methods of Depreciation and Amortisation
HKFRS 15[2]	Revenue from Contracts with Customers
HKFRS 9 (2014)[3]	Financial Instruments

[1] Effective for annual periods beginning 1 January 2016

[2] Effective for annual periods beginning 1 January 2017

[3] Effective for annual periods beginning 1 January 2018

The Group has already commenced an assessment of the impact of these new or revised HKFRSs, certain of them will give rise to change in presentation, disclosure and measurements of certain items in the financial statements.

3 Segment information

(a) The Group's reportable segments are strategic business units that operate different activities. They are managed separately because each business has different products or services and requires different marketing strategies.

The Group currently has four reportable segments namely, property, transportation, hospitality and investment. The segmentations are based on the internal reporting information about the operations of the Group that management reviews regularly to make decisions on allocation of resources between segments and to assess segment performance.

The principal activities of each reportable segment are as follows:

Property	— property development and sales, leasing and management services
Transportation	— passenger transportation services
Hospitality	— hotel operation, hotel management and travel agency services
Investment	— investment holding and others

(b) Segment results, assets and liabilities

Management evaluates performance of the reportable segments on the basis of operating profit or loss before fair value changes on investment properties, non-recurring gains and losses, interest income and unallocated net corporate expense. Inter-segment transactions have been entered into on terms agreed by the parties concerned. The Group's measurement methods used to determine reported segment profit or loss remain unchanged from 2014.

The revenues from external parties reported to management are measured in a manner consistent with that in this condensed consolidated interim income statement.

For the six months ended 30 June 2015

	Property	Transportation	Hospitality	Investment	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover and other income						
External turnover	**371,100**	**1,184,489**	**380,939**	**191,261**	**—**	**2,127,789**
Inter-segment turnover	**737**	**273**	**24,660**	**—**	**(25,670)**	**—**
Other income (external and excluding interest income)	**4,318**	**15,461**	**1,169**	**287**	**—**	**21,235**
	376,155	**1,200,223**	**406,768**	**191,548**	**(25,670)**	**2,149,024**
Segment results	**150,796**	**174,443**	**49,293**	**169,291**	**—**	**543,823**
Fair value changes on investment properties	**159,035**	**—**	**—**	**—**	**—**	**159,035**
Interest income						**125,408**
Unallocated net corporate expenses						**(79,473)**
Operating profit						**748,793**
Finance costs						**(78,177)**
Share of results of joint ventures	**106,078**	**(38,308)**	**(15,501)**	**—**	**—**	**52,269**
Share of results of associates	**(46,177)**	**410**	**(1,240)**	**2,652**	**—**	**(44,355)**
Profit before taxation						**678,530**
Taxation						**(60,127)**
Profit for the period						**618,403**

For the six months ended 30 June 2014

	Property *HK$'000*	Transportation *HK$'000*	Hospitality *HK$'000*	Investment *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Turnover and other income						
External turnover	1,965,409	1,174,054	353,206	233,645	—	3,726,314
Inter-segment turnover	611	325	23,748	—	(24,684)	—
Other income (external and excluding interest income)	2,716	16,261	965	20	—	19,962
	1,968,736	1,190,640	377,919	233,665	(24,684)	3,746,276
Segment results	562,465	99,345	41,666	216,271	—	919,747
Fair value changes on investment properties	264,282	—	—	—	—	264,282
Interest income						80,185
Unallocated net corporate expenses						(106,166)
Operating profit						1,158,048
Finance costs						(50,867)
Share of results of joint ventures	520,985	(52,521)	(1,964)	—	—	466,500
Share of results of associates	30,129	400	4,194	3,933	—	38,656
Profit before taxation						1,612,337
Taxation						(146,762)
Profit for the period						1,465,575

As at 30 June 2015

	Property ***HK$'000***	**Transportation** ***HK$'000***	**Hospitality** ***HK$'000***	**Investment** ***HK$'000***	**Eliminations** ***HK$'000***	**Consolidated** ***HK$'000***
Assets						
Segment assets	**24,409,940**	**3,897,555**	**1,601,647**	**1,063,454**	**(27,075)**	**30,945,521**
Joint ventures	**5,881,298**	**73,373**	**(123,832)**	**—**	**—**	**5,830,839**
Associates	**1,319,970**	**4,762**	**199,697**	**7,148**	**—**	**1,531,577**
Unallocated assets						**8,705,897**
Total assets						**47,013,834**
Liabilities						
Segment liabilities	**1,034,717**	**377,511**	**127,818**	**6,668**	**(27,075)**	**1,519,639**
Unallocated liabilities						**14,236,787**
Total liabilities						**15,756,426**

As at 31 December 2014

	Property *HK$'000*	Transportation *HK$'000*	Hospitality *HK$'000*	Investment *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Assets						
Segment assets	23,523,399	3,668,478	1,425,358	1,049,256	(21,845)	29,644,646
Joint ventures	5,986,743	111,681	(108,356)	—	—	5,990,068
Associates	1,373,451	4,351	200,751	4,496	—	1,583,049
Unallocated assets						10,237,364
Total assets						47,455,127
Liabilities						
Segment liabilities	1,279,044	380,521	133,146	12,044	(21,845)	1,782,910
Unallocated liabilities						14,560,551
Total liabilities						16,343,461

4 Other losses, net

	For the six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Net loss on disposal of property, plant and equipment	**(509)**	(342)
Others	**220**	316
	(289)	(26)

5 Operating profit

	For the six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
After crediting:		
Interest income from bank deposits and others	**125,689**	80,588
Rental income from investment properties	**94,224**	95,822
Dividend income from listed investments	**7,700**	8,028
Dividend income from unlisted investments	**166,351**	212,672
After charging:		
Cost of inventories		
- properties	**62,023**	1,178,692
- fuel	**360,322**	464,016
- others	**79,674**	57,046
	502,019	1,699,754

6 Finance costs

	For the six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Total finance costs incurred	**169,968**	156,361
Less: Amount capitalised in properties for or under development	**(91,791)**	(105,494)
	78,177	50,867

7 Taxation

	For the six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Current taxation		
Hong Kong profits tax	**24,868**	86,319
Overseas taxation	**18,264**	6,363
	43,132	92,682
Deferred taxation		
Origination and reversal of temporary differences	**16,995**	54,080
	60,127	146,762

Hong Kong profits tax is provided for at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits for the period. Overseas taxation is calculated at the rates prevailing in the respective jurisdictions.

8 Interim dividend

	For the six months ended 30 June	
	2015	2014
	HK$'000	*HK$'000*
Interim dividend: Nil (2014: HK5.0 cents per share)	**—**	151,840

9 Earnings per share

The calculation of basic earnings per share is based on profit attributable to owners of the Company of HK$387,190,000 (2014: HK$1,102,051,000) and the weighted average number of 3,042,465,785 shares (2014: 3,015,909,499 shares) in issue during the period.

The calculation of diluted earnings per share is based on profit attributable to owners of the Company of HK$387,190,000 (2014: HK$1,122,853,000) and the weighted average number of 3,042,650,216 shares (2014: 3,142,910,268 shares) in issue during the period after adjusting for the effects of all dilutive potential ordinary shares.

10 Trade receivables and payables

Trade debtors are managed in accordance with defined credit policies, dependent on market requirements and businesses which they operate. Subject to negotiation, credit is only available for major customers with well-established trading records. The Group offers general credit terms ranging from 0 day to 60 days to its customers, except for sale of properties the proceeds from which are receivable pursuant to the terms of the relevant agreements.

The ageing analysis of trade debtors by invoice date is as follows:

	30 June 2015 *HK$'000*	31 December 2014 *HK$'000*
0 - 30 days	**419,588**	1,323,516
31 - 60 days	**8,660**	22,151
61 - 90 days	**2,928**	5,140
over 90 days	**6,222**	3,021
	437,398	1,353,828

The ageing analysis of trade creditors by invoice date is as follows:

	30 June 2015 *HK$'000*	31 December 2014 *HK$'000*
0 - 30 days	**759,474**	821,829
31 - 60 days	**6,193**	2,864
61 - 90 days	**1,240**	2,498
over 90 days	**2,638**	281
	769,545	827,472

11 Non-current assets held for sale

On 19 June 2015, the board of directors approved the Group to dispose its 50% equity interest and related shareholder's loan in Guidetone Investments Limited ("Guidetone"), an associate of the Group. The management considered that the proposed disposal is highly probable and is expected to be completed within 12 months and therefore the interests in Guidetone are accounted for as non-current assets held for sale.

BUSINESS REVIEW

PROPERTY

Entering 2015, Hong Kong real estate market remained resilient despite a number of external undercurrents including looming concerns over certain world markets, a general slowdown of China's economy and an expected interest rate increase. 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 the headwinds, the Group still managed to sustain a high selling price during the launch of Nova Park remaining units in the first six months of 2015 in view of a lack of supply and genuine demand from local homebuyers. 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 that period.

Property Developments

Projects Completed with Recent Sales

In Hong Kong

Chatham Gate (Group interest: 51%)

The development comprises two grand residential towers offering units from studio to four-bedroom configurations with an appended shopping arcade, covering a total gross floor area of approximately 370,000 square feet. As of 30 June 2015, 332 units out of 334 residential units have been sold. The shopping arcade registered 90% occupancy, providing daily conveniences to support the heretofore underserved neighborhood.

Luxury Mansions at Chung Hom Kok (Group interest: 100%)

This development comprises five luxury residential houses in a premium and tranquil location at Chung Hom Kok. All fitting out works have been completed 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

Nova Park (Group interest: 100%)

Nova Park, Phase 4 of Nova City, is a striking urban park-side residential development with an unimpeded view of the stunning Taipa Central Park, set in the heart of the thriving Taipa community. Its three residential towers cover a gross floor area of approximately 680,000 square feet and offer 620 residential units in total. 118 residential units have been sold during the first half of 2015 as more flexible payment terms are extended to incentivize buyers. As of 30 June 2015, the cumulated number of sold flats amounts 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. The occupation permit was issued in December 2014 and handover of units commenced in April 2015.

Projects Under Development

In Macau

Nova City Phase 5 (Group interest: residential - 71%; commercial - 100%)

The next phase of Nova City will comprise over 2.3 million square feet of residential units in eight towers. The towers will sit above a large-scale lifestyle shopping centre spanning over 655,000 square feet. It will house a diverse range of tenants including a cinema, supermarkets, dining outlets and leisure retail components to provide unparalleled convenience to residents. Foundation works have been completed and substructure works have commenced with project completion scheduled for 2018.

In Northern China

Beijing Tongzhou Integrated Development
(Group interest: Phase 1 - 24%; Phase 2 - 19.35%)

This project is set to become an iconic landmark in Tongzhou, a new business district poised to become the new Central Business District and new municipal government administration office in Beijing. It comprises retail, office and serviced apartments in one prime address along the famous Grand Canal and enjoys direct connectivity to future subway and bus interchange stations. The project has a gross floor area of approximately 6.8 million square feet (634,200 square meters). Excavation work has substantially completed with project completion expected for 2018.

Shun Tak Tower (Group interest: 100%)

This project, a wholly-owned property in the Beijing Dong Zhi Men near East 2nd Ring Road, comprises both office and hospitality components. The site spans 63,000 square feet (5,832 square meters), with a developable gross floor area of approximately 419,000 square feet (38,900 square meters) rising 21 levels aboveground, and 182,000 square feet (16,900 square meters) in 4 underground levels. It commands a prominent location next to the airport highway and enjoys close proximity to Beijing downtown, embassy area, and YanSha district. Handover of the property was completed in June 2014 and fitting out works are in progress. Leasing of office units is in progress while the hospitality component is scheduled for completion in the first quarter of 2017.

In Southern China

Hengqin Integrated Development (Group interest: 70%)

In January 2014, the Group entered into a strategic partnership with Perennial Hengqin Investment Group Pte. Ltd. to develop an integrated landmark in Hengqin that will comprise office, hotel, commercial, and serviced apartments. The 23,834-square-meter site has a gross floor area of approximately 131,089 square meters. This landmark will have unparalleled connectivity, with direct access to port and commercial facilities at the border with Macau, and will be serviced by the Hengqin and Macau light rails as well as the future extension of the Guangzhou-Zhuhai Intercity Rail. It is a few minutes' drive away from Cotai strip where ultra-luxurious gaming resorts thrive. Foundation works is in progress and the occupation permit is expected to be obtained in 2018.

In Eastern China

Hotel property at Shanghai MixC (Group interest: 100%)

In April 2015, the Group agreed to acquire a hotel property at a consideration of approximately RMB700 million from 上海通益置業有限公司 (Shanghai Tongyi Real Estate Development Company Limited*), a company owned in equal share by China Resources Land Limited and 上海申通地鐵資產經營管理有限公司 (Shanghai Shentong Metro Assets Management Company Limited*). The property has a gross floor area of approximately 29,000 square meters as part of the Shanghai MixC integrated commercial development project. The property is currently under planning and will be developed into an 8-storey hotel building scheduled for completion by the

* *For identification purpose only*

third quarter of 2017. When completed, the hotel property will be operated by the Group's hotel management subsidiary, Artyzen Hospitality Group ("AHG"), to extend two hotel product offerings which total 478 rooms. Operation is expected to commence in the first quarter of 2018.

Projects Under Planning

Harbour Mile (Group interest: 100%)

The premium residential site in Nam Van adjoining the Macau Tower Convention & Entertainment Centre ("Macau Tower") is under planning. The Macau SAR Government is continuing to review the Master Plan of Nam Van area, and it is anticipated further time is needed to finalize the Master Plan.

Hotel Development at Cotai Site (Group interest: 100%)

The Group has made application for land grant and is in discussion with the Macau SAR Government on its plan to develop hospitality facilities on the site.

Property Investments

In Macau

One Central Shopping Mall (Group interest: 51%)

One of the defining hallmarks of One Central is a 400,000 square feet premium shopping mall, which houses a supreme collection of international designer brands. Its popularity demonstrates the Group's vision and strength in creating projects appealing to top quality tenants. The retail mall maintained an occupancy rate of around 96% as at 30 June 2015.

Shun Tak House (Group interest: 100%)

The property, situated in a busy tourist locale at the heart of the Macau Peninsula, covers over 28,000 square feet of leasable area and consistently maintains 100% occupancy with two major retail anchor tenants. Lease renewal has been completed with encouraging improvement in rental rate, reflecting optimism in Macau's retail market.

In Hong Kong

Shun Tak Centre, Shop No. 402 (Group interest: 100%)

The Group purchased this 33,387 square feet property from The Open University of Hong Kong in January 2013, along with a lease contract with the institution which was terminated with effect from September 2013. Satisfying tourist and local demands, the Group introduced a 20,000 square feet renowned supermarket chain store in June 2015, the largest in Central and Sheung Wan districts. This will enhance the current tenant mix and provide further options for shoppers.

The Westwood (Group interest: 51%)

Home to a myriad of chain retailers, The Westwood, a 5-storey shopping centre at The Belcher's with approximately 158,000 square feet of leasable area, is the largest shopping destination in the Western Mid-Levels. With the launch of the MTR West Island Line in December 2014, visitor numbers have significantly improved and occupancy rate has been consistently maintained at around 97%. Lease renewals completed during the period have all registered double-digit growth.

Liberté Place (Group interest: 64.56%)

Liberté Place, the shopping podium of Liberté which connects directly to the Lai Chi Kok MTR Station, offers a wide variety of dining and household conveniences to residents of the West Kowloon community, including the neighboring Banyan Garden and The Pacifica. Occupancy consistently stands over 90%.

Chatham Place (Group interest: 51%)

Chatham Place is a 3-storey shopping arcade below Chatham Gate with approximately 50,000 square feet of leasable area. It opened in January 2014 with restaurants, educational institutions and a supermarket to provide everyday conveniences to the neighboring community. Average occupancy stood at 90% as of 30 June 2015.

In China

Guangzhou Shun Tak Business Centre (Group interest: 60%)

The Guangzhou Shun Tak Business Centre, a 32-storey office tower on a 6-storey shopping arcade, recorded satisfactory leasing revenue and an occupancy rate of approximately 78% over the period.

Property Services

Shun Tak Property Management Limited, the Group's wholly-owned subsidiary, offers professional property management service in Hong Kong and Macau, with a management portfolio of 22 million square feet of gross floor area, including the 10 million square-foot campus of University of Macau attended by over 8,600 students. It also operates complementary businesses including Shun Tak Macau Services Limited, a property cleaning service company; and Clean Living (Macau) Limited which offers both retail and institutional laundry services.

TRANSPORTATION

The transportation division fared remarkably well in the first six months of 2015, registering a profit of HK$174 million (1H 2014: HK$99 million) across its land and sea operations, representing a 76% growth compared to the same period last year. Riding upon the favorable momentum in 2014, the division benefitted from both higher yield and lower 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 as a result of exchange rate fluctuation among the region's major currencies and adjusted tourism policies from Macau government, the spread of Middle East Respiratory Syndrome in Asia as well as regional competition. 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.

Shun Tak - China Travel Shipping Investments Limited

TurboJET continued to build upon its foresight of creating a world leading ferry service through product innovation and major upgrades in the overall customer experience. Premier Grand service was first debuted in 2009, and the full overhaul scheme was completed in February 2015, with the fleet now consisting of 8 Premier vessels running at 30-minute intervals. In the first half of 2015, Premier Grand passengers registered a 43% year-on-year growth as the upscale market gradually becomes an important bedrock of growth for its business.

Capitalizing on TurboJET's multimodal transportation network built over the years, the company has further expanded its service spectrum to offer customers seamless connectivity by launching a complimentary land transfer, branded Premier Plus, for its Premier Grand passengers. This value-adding service connects passengers between Hong Kong Macau Ferry Terminal and Hong Kong International Airport, as well as between Macau Maritime Ferry Terminal and any destination within Macau. These popular additions attest to the service commitment which TurboJET attaches to its customers.

TurboJET continues to strengthen its strategic alliances with mainland ferry operators to maintain service reliability between Macau and the Pearl River Delta such as Shenzhen, Shekou and Nansha. It is also planning ahead to expand its routes upon the completion of the permanent Taipa Ferry Terminal in Macau.

Shun Tak-China Travel Ship Management Limited currently manages three pier operations in the Pearl River Delta. In the first half of 2015, SkyPier continued to show encouraging growth, achieving record-setting passenger volume at 1.4 million, a 9% year-on-year growth. A strategically important hub in terms of developing multimodal connections to drive traffic into the Pearl River Delta region, Macau and Hong Kong, Shenzhen Airport Fuyong Ferry Terminal also registered a 3% year-on-year growth in passenger throughput, with average daily scheduled trips increased to 40 from 31 last year.

TurboJET was conferred a number of accolades during the period, including the "Hang Seng Pan Pearl River Delta Environmental Awards 2013/14 — Green Medal" awarded by the Federation of Hong Kong Industries, and "2014-2015 Certificate of Smiling Enterprise Award — Transportation Services" from Mystery Shopper Service Association.

Shun Tak & CITS Coach (Macao) Limited

The land transportation arm, Shun Tak & CITS Coach (Macao) Limited, continued to deliver strong returns through its cross-border and local rental business. As of 30 June 2015, it operates a fleet of 130 vehicles, and recorded HK$47 million in revenue over the first half of 2015.

Jetstar Hong Kong Airways Limited ("JHK")

In 2013, the Group has taken an equal third share in 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. Share of results of JHK has been reflected in the consolidated financial statements of the Group along the investment period.

HOSPITALITY

In the first half of 2015, the uptrend in Hong Kong and Macau tourism performance began to level off, 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. Despite the challenges, 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 AHG from new hotel management contracts.

Hotels

In Hong Kong, the 658-room Hong Kong SkyCity Marriott Hotel located close to the Asia World-Expo, the Hong Kong International Airport and the SkyPier, maintained stable performance with an average occupancy rate of 82% and a steady revenue compared with the same period last year. Its spa facility received a number of accolades from "World Luxury Spa Awards" in 2015 - "Best Luxury Fitness Spa in Asia", "Best Luxury Boutique Spa in Hong Kong" and "Best Spa Manager in Hong Kong". It was also selected the "Best Airport Hotel in China 2014" by The 10th China Hotel Starlight Awards, and "Winner Certificate of Excellence 2015" by Trip Advisor and daodao.com.

Mandarin Oriental, Macau is one of the leading luxury hotels in Macau renowned for its bespoke services and fine elegance. The average occupancy rate declined to 48% during the period, as the overall hospitality industry contracted significantly. Nonetheless, average room rate remains satisfactory despite an oversupply in the market. In the first half of 2015, the hotel received a number of prestigious awards including "Triple Five Star Hotel, Restaurant & Spa" by Forbes Travel Guide 2015, "Best Luxurious Hotels of China" & "Best General Managers of China" from China Hotel Starlight Awards and "Top Presidential Suite" at Hurun Presidential Awards 2015.

Grand Coloane Resort, formerly Westin Resort Macau and managed by AHG, offers 208 rooms and suites each opening to a private and spacious terrace with an uninterrupted picturesque view of the beach. It continues to occupy a niche market popular among holidaymakers who prefer a uniquely idyllic and relaxing experience free from gaming facilities. The freshly painted seaside property recorded 56% in occupancy rate over the first half of 2015. It received the "Macau Green Hotel Award" from Macau Environmental Protection Bureau and "Certificate of Excellence 2015" by Trip Advisor.

Hotel Management

In July 2013, the Group established AHG to provide property owners with hotel management solutions and create asset values. It currently manages two hotel properties in Macau, namely Grand Lapa Hotel and Grand Coloane Resort. The company aims to proactively capitalise upon tourism growth across Asia to pursue management opportunities in key gateway cities. Establishing its brand presence in a strategic city like Shanghai to further support growth, AHG will be operating a hotel property located at Shanghai MixC integrated development under two of its brands with a combined key count of 478.

Tourism Facility Management

The Group is renowned for providing integrated management solutions for tourism facilities. It is instrumental to placing Macau Tower as a prominent destination on the world map with its international management and expansive sales and marketing network.

Macau Tower performed solidly in the first half of 2015, posting a 15% year-on-year growth in revenue despite market headwinds. Its MICE business, restaurants, AJ Hackett adventure activities and observation deck have all registered improvements in performance. In turn, these have translated into improved management income for the Group. New elements have been introduced to its food & beverage outlets and adventure offers in order to stay relevant to market needs.

Travel and MICE

With offices in Hong Kong, Macau, Beijing, Shanghai, Guangzhou and Shenzhen, Shun Tak Travel is fast becoming a popular hospitality brand offering concierge services to MICE groups and corporate travelers. Many large scale enterprises and renowned brands are now taking advantage of its integrated ticket reservation, baggage logistics, local transportation and meet-and-greet services. In June 2015, Shun Tak Travel completed the renovation of its customer outlet and is re-geared to grow its retail business. Combined revenue for Shun Tak Travel and MICE amounted to HK$31 million in the first half of 2015 (1H 2014: HK$26 million).

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.. Since June 2014, Macau gaming market has entered an adjustment period, the constrictive effect of which is beginning to reflect fully.

The Group partnered with Worldwide Flight Services Holding SA and Royal Caribbean Cruises Ltd. to operate and manage the new Kai Tak Cruise Terminal, designed to accommodate a new generation of mega-cruisers. The terminal's two largest commercial spaces have become operational by early 2015 to complement the development of cruise business. 87% of the retail space has been leased out as of 30 June 2015 and a total of 58 berth bookings have been received as of 17 July 2015 for 2015.

Macau Matters Company Limited, the Group's retail divisional arm, is the largest single brand toys business in Macau and operates the internationally renowned toy brand, Toys "R" US. It has a flagship store at Macau Tower, and a second outlet opened in 2014 near Senado Square.

RECENT DEVELOPMENTS AND PROSPECT

The Group concluded the first half of 2015 with overall positive results albeit mixed outlook for different divisions. Despite property sales in Nova Park registered above-market prices and TurboJET posted strong earnings, hospitality and investment divisions are adversely affected by a dwindling premium gaming market, increased competition and a general decline in tourist arrivals into Macau. Under the current economic environment, the Group shall adopt a pragmatic strategy, focus on refining its fundamentals and solidly execute its development plans in the second half of year.

In April 2015, an important acquisition was announced with the Group purchasing a hotel property with gross floor area of approximately 29,000 square metres at Shanghai MixC integrated commercial development project, at a consideration of approximately RMB700 million. The hotel property will be operated by the Group's hotel management subsidiary, Artyzen Hospitality Group to offer a total of 478 rooms. Construction of the project is expected to complete by August 2017.

In Macau, the Group has successfully launched another round of remaining inventory at Nova Park. 118 residential units have been sold during the first half of 2015, bringing the cumulated number of sold flats to 611 units, representing 99% of all available units. Underpinned by a lack of first-hand property supply, encouraging average selling price at around HK$11,300 per square foot has been achieved. Handover of units has commenced in April 2015.

In Hong Kong, sales effort will be directed to a recently completed luxury development in Chung Hom Kok comprising five top quality mansions. With the Hong Kong luxury property market starting to regain momentum in past months, the Group has received positive interests in these high-end and sought-after assets.

In spite of the slowdown in tourism performance of Macau and a mild decline in passenger numbers on TurboJET's Hong Kong-Macau flagship routes, the transportation division is able to turn in encouraging profits due to depressed oil prices and improved passenger yield.

The Group remains confident in the luxury travel segment and is committed to invest in upgrading its offers for long term growth. Premier Grand service, which has a relatively higher cost-profit ratio, has gradually expanded to represent a core market segment. A new fleet of land vehicles has been added to offer free transfer service for Premier Grand class passengers, gearing up to expand its multimodal network seamless connecting new borders and ports in the region.

AHG is currently managing the Grand Lapa Hotel and Grand Coloane Resort in Macau. The team is also actively engaged with pre-opening preparations for citizenM Taipei and the Shanghai MixC hotel project. The Group has entered into a strategic cooperation agreement with China Resources Land (Shanghai) Limited, with the latter providing AHG the first rights for any upcoming hotel management projects in Eastern China on the same terms or conditions.

The investment division posted 22% year-on-year decline in profits attributable to receded dividends declared by Sociedade de Turismo e Diversões de Macau, S.A.. Performance for the division is expected to remain constrictive until the gaming market improves.

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.

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

The Group's bank balances and deposits amounted to HK$15,727 million at 30 June 2015, representing a decrease of HK$82 million as compared with the position as at 31 December 2014. It is the Group's policy to secure adequate funding to satisfy cash flows required for working capital and investing activities. Total bank loan facilities available to the Group as at 30 June 2015 amounted to HK$16,737 million, of which HK$8,398 million remained undrawn. The Group's bank borrowings outstanding at the period end amounted to HK$8,339 million. The Group's borrowings also comprised the medium term notes ("MTN") of HK$3,139 million.

As the Group had a net cash balance at 30 June 2015 and 31 December 2014, no gearing ratio (expressed as a ratio of net borrowings to equity attributable to owners of the Company) is presented. The Group will continue with its financial strategy of maintaining a healthy gearing ratio and consider steps to reduce its finance costs.

The maturity profile of the Group's borrowings as at 30 June 2015 is set out below:

Maturity Profile

Within 1 year	1-2 years	2-5 years	Over 5 years	Total
40%	6%	53%	1%	100%

In April 2015, the Group entered into a framework agreement to agree to acquire a property in Shanghai Hongqiao Town, Minhang District at a consideration of RMB700 million subject to adjustments. The framework agreement will subsequently be replaced by a sale and purchase agreement which contains substantially the same principal terms as those in the framework agreement upon fulfillment of certain conditions. The property will be developed into a hotel building with fit-out works. The Group had paid RMB140 million and had an outstanding commitment amounted to approximately RMB560 million (equivalent to approximately HK$699 million) at period end.

In May 2008, the Group agreed to acquire the land development right of Nam Van site in Macau at a consideration of HK$3,145 million. The outstanding commitment of which at the period end amounted to about HK$2,830 million.

Charges on Assets

At the period end, bank loans to the extent of approximately HK$3,059 million (31 December 2014: HK$2,941 million) were secured with charges on certain assets of the Group amounting to an aggregate carrying value of HK$14,904 million (31 December 2014: HK$13,426 million). Out of the above secured bank loans, an aggregate amount of HK$2,376 million (31 December 2014: HK$2,245 million) was also secured by pledges of shares in certain subsidiaries.

Contingent Liabilities

There were no material contingent liabilities of the Group at the period end.

Financial Risk

The Group adopts a conservative policy in financial risk management with insignificant exposure to currency and interest rate risks. Except for the guaranteed MTN, all the funds raised by the Group are on a floating rate basis. Except for the MTN of US$400 million and bank loan of RMB200 million, none of the Group's outstanding borrowings was denominated in foreign currency at the period end. Approximately 87% of the bank deposits, cash and bank balances were denominated in Hong Kong dollar and United States dollar with the remaining balance mainly in Renminbi and Macau pataca. The Group's principal operations are primarily conducted in Hong Kong dollar so that the exposure to foreign exchange fluctuations is insignificant. While the Group has financial assets and liabilities denominated in the United States dollar and Macau pataca, they are continuously pegged to Hong Kong dollar and the exposure to currency risk for such currencies is insignificant to the Group. The Group engages in fuel hedging and currency swap activities to minimise its exposure to fluctuations in fuel prices and foreign exchange rate in accordance with the Group's approved treasury policies.

Human Resources

The Group, including subsidiaries but excluding associates and joint ventures, employed approximately 3,410 employees at the period end. The Group adopts competitive remuneration packages for its employees. Promotion and salary increments are based on performance. Social activities are organised to foster team spirit amongst employees and they are encouraged to attend training classes that are related to the Group's businesses and developments.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE CODE

In the opinion of the Board of the Company, throughout the six months ended 30 June 2015, the Company complied with the code provisions in the Corporate Governance Code (set out in Appendix 14 of the Listing Rules) except for:

1. code provision E.1.2 which requires the chairman of the board to attend the annual general meeting. The Group Executive Chairman of the Company was absent from the Company's annual general meeting held on 19 June 2015. The Managing Director (also chairman of the executive committee), the Deputy Managing Director and other Directors, together with the chairmen/members of the audit, nomination, remuneration and executive committees, were available to answer any shareholders' questions regarding the activities of the Company and various Board committees; and

2. code provision A.5.1 which states that the nomination committee must have a majority of independent non-executive directors ("INEDs"). The Company deviated from A.5.1 after Sir Rogerio Hyndman Lobo passed away on 18 April 2015. Late Sir Roger had been an INED, chairman of the remuneration committee and a member of the audit and nomination committees.

   Following the appointments of Mr. Michael Ng, an INED of the Company, as (i) a member and the chairman of the remuneration committee; and (ii) a member of the nomination committee of the Company, all with effect from 25 August 2015, the Company has complied with the requirements under code provision A.5.1 as well as Rule 3.25 of the Listing Rules relating to the remuneration committee should comprise a majority of INEDs.

The Company did not fulfill the requirement under Rule 3.10A of the Listing Rules prescribing that the number of INEDs must represent at least one-third of the board after 18 April 2015. Given the time needed to select suitable candidate(s) and compliance procedures for appointments, the Stock Exchange granted a waiver to the Company which including but not limited to the compliance of Rule 3.10A of the Listing Rules by the Company until 17 October 2015. The Company will use its best endeavours to finalise and announce the appointment of an INED as soon as practicable.

REVIEW BY AUDIT COMMITTEE

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2015 have been reviewed by the audit committee of the Company. At the request of the directors of the Company, the Company's external auditor, PricewaterhouseCoopers, has carried out a review of the said unaudited condensed consolidated interim financial statements in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

By order of the Board
SHUN TAK HOLDINGS LIMITED
Pansy Ho
Managing Director

Hong Kong, 25 August 2015

As at the date of this announcement, the executive directors of the Company are Dr. Stanley Ho, Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho, Mr. David Shum and Mr. Rogier Verhoeven; the non-executive director is Mrs. Louise Mok; and the independent non-executive directors are Mr. Norman Ho, Mr. Charles Ho and Mr. Michael Ng.