信德集團
SHUN TAK HOLDINGS

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

2024 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 2024 of the Company and its subsidiaries (the "Group").

The unaudited loss attributable to owners of the Company for the period was HK$428 million (2023: HK$425 million). Underlying loss attributable to the owners which principally adjusted for unrealised fair value changes on investment properties would be HK$108 million (2023: HK$274 million). Basic loss per share was HK14.2 cents (2023: HK14.1 cents).

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend in respect of the six months ended 30 June 2024 (2023: nil).

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE

	Note	**(Unaudited) 2024** *HK$'000*	(Unaudited) 2023 *HK$'000*
Revenue	*3*	**2,162,476**	1,495,148
Other income		**138,038**	188,407
		2,300,514	1,683,555
Other losses, net	*4*	**—**	(272,092)
Cost of inventories sold and services provided		**(1,184,132)**	(752,419)
Staff costs		**(332,485)**	(282,120)
Depreciation and amortisation		**(79,491)**	(77,034)
Other costs		**(362,635)**	(283,901)
Fair value changes on investment properties		**(142,052)**	(132,767)
Operating profit/(loss)	*3, 5*	**199,719**	(116,778)
Finance costs	*6*	**(351,392)**	(299,878)
Share of results of joint ventures		**(170,136)**	(10,845)
Share of results of associates		**(56,315)**	11,108
Loss before taxation		**(378,124)**	(416,393)
Taxation	*7*	**(35,027)**	(1,356)
Loss for the period		**(413,151)**	(417,749)
Attributable to:			
Owners of the Company		**(428,108)**	(424,732)
Non-controlling interests		**14,957**	6,983
Loss for the period		**(413,151)**	(417,749)
Loss per share *(HK cents)*	*9*		
— basic		**(14.2)**	(14.1)
— diluted		**(14.2)**	(14.1)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE

	(Unaudited) 2024 *HK$'000*	(Unaudited) 2023 *HK$'000*
Loss for the period	**(413,151)**	(417,749)
Other comprehensive loss		
Items that may be reclassified to profit or loss:		
Debt instruments at fair value through other comprehensive income:		
Changes in fair value	—	179
Reversal of asset revaluation reserve upon sales of properties, net of tax	**(4,289)**	(3,728)
Currency translation differences	**(253,577)**	(324,320)
Share of currency translation difference of joint ventures	**(117,436)**	(225,300)
Share of currency translation difference of associates	**(79,222)**	(71,961)
Share of other comprehensive loss of associates	**(166)**	(449)
Item that will not be reclassified to profit or loss:		
Equity instruments at fair value through other comprehensive income:		
Changes in fair value	**43,988**	(475,366)
Other comprehensive loss for the period, net of tax	**(410,702)**	(1,100,945)
Total comprehensive loss for the period	**(823,853)**	(1,518,694)
Attributable to:		
Owners of the Company	**(832,858)**	(1,514,705)
Non-controlling interests	**9,005**	(3,989)
Total comprehensive loss for the period	**(823,853)**	(1,518,694)

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	(Unaudited) 30 June 2024 HK$'000	(Audited) 31 December 2023 HK$'000
Non-current assets			
Property, plant and equipment		**3,694,521**	3,784,408
Right-of-use assets		**704,018**	742,088
Investment properties		**9,704,622**	9,960,051
Joint ventures		**10,034,263**	10,346,835
Associates		**5,638,868**	5,739,365
Intangible assets		**2,103**	2,134
Financial assets at fair value through other comprehensive income		**1,531,299**	1,487,492
Financial assets at fair value through profit or loss		**—**	—
Deferred tax assets		**71,062**	89,265
Other non-current assets		**769,295**	738,834
		32,150,051	32,890,472
Current assets			
Properties for or under development		**527,329**	1,322,232
Inventories		**8,721,948**	8,980,591
Trade and other receivables, deposits paid and prepayments	*10*	**892,295**	859,738
Contract assets		**1,678,862**	1,134,377
Taxation recoverable		**—**	303
Cash and bank balances		**7,760,660**	6,633,986
		19,581,094	18,931,227

	Note	(Unaudited) 30 June 2024 *HK$'000*	(Audited) 31 December 2023 *HK$'000*
Current liabilities			
Trade and other payables, and deposits received	*10*	**919,688**	902,973
Contract liabilities		**186,398**	81,901
Lease liabilities		**38,263**	36,523
Bank borrowings		**7,655,460**	3,974,148
Provision for employee benefits		**7,305**	7,318
Taxation payable		**302,286**	157,979
Loans from non-controlling interests		**50,361**	50,361
		9,159,761	5,211,203
Net current assets		**10,421,333**	13,720,024
Total assets less current liabilities		**42,571,384**	46,610,496
Non-current liabilities			
Contract liabilities		**44,423**	44,760
Lease liabilities		**53,306**	64,378
Bank borrowings		**8,625,970**	11,567,028
Deferred tax liabilities		**712,159**	864,751
Other non-current liabilities		**3,400**	3,400
		9,439,258	12,544,317
Net assets		**33,132,126**	34,066,179
Equity			
Share capital		**9,858,250**	9,858,250
Other reserves		**21,024,126**	21,856,984
Equity attributable to owners of the Company		**30,882,376**	31,715,234
Non-controlling interests		**2,249,750**	2,350,945
Total equity		**33,132,126**	34,066,179

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements of Shun Tak Holdings Limited (the "Company") and its subsidiaries (together, the "Group") 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 2023 which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

The accounting policies and methods of recognition and presentation used in the preparation of the condensed consolidated interim financial statements are consistent with those described in the 2023 annual financial statements except as stated in note 2 below.

The financial information relating to the year ended 31 December 2023 that is included in the condensed consolidated interim financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company had delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company's auditor had reported on the financial statements for the year ended 31 December 2023. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance (Cap. 622).

The preparation of the condensed consolidated interim financial statements in conformity with HKFRS 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. 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 2023 annual financial statements and respective note to these condensed consolidated interim financial statements.

2 IMPACT OF AMENDED STANDARDS

(a) Amendments to standards and interpretation adopted by the Group

The following amendments to standards and interpretation are relevant to the Group's operations and first effective for the Group's financial year beginning on 1 January 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
HK Interpretation 5 (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The adoption of the above amendments to standards and interpretation did not have any significant impact to the Group's results for the six months ended 30 June 2024 and the Group's financial position as at 30 June 2024.

(b) New standards, amendments to standards and interpretation not yet adopted

The HKICPA has issued new standards, amendments to standards and interpretation which are relevant to the Group's operations but are not yet effective for the Group's financial year beginning on 1 January 2024 and have not been early adopted:

Amendments to HKAS 21(1)	Lack of Exchangeability
Amendments to HKFRS 9 and HKFRS 7(2)	Classification and Measurement of Financial Instruments
HKFRS 18(3)	Presentation and Disclosure in Financial Statements
HKFRS 19(3)	Subsidiaries without Public Accountability: Disclosures
Amendments to HK Interpretation 5(3)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKFRS 10 and HKAS 28(4)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

(1) Effective for annual periods beginning 1 January 2025
(2) Effective for annual periods beginning 1 January 2026
(3) Effective for annual periods beginning 1 January 2027
(4) Effective date to be determined

The Group has already commenced an assessment of the impact of these new standards, amendments to standards and interpretation. The amendments to standards and interpretation would not be expected to have a material impact to the results of the Group, while the Group is in a process of assessing the impact of new standards.

3 SEGMENT INFORMATION

(a) Description of segments

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, hospitality, transportation and investment. The segmentations are based on the internal reporting information in respect of 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
Hospitality	—	hotel and club operations and hotel management
Transportation	—	passenger transportation 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, interest income and unallocated net corporate expenses. 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 2023.

Segment assets principally comprise all tangible assets, intangible assets and current assets directly attributable to each segment with the exception of interests in joint ventures and associates, taxation recoverable, deferred tax assets and other corporate assets. Segment liabilities include all liabilities and borrowings directly attributable to and managed by each segment with the exception of taxation payable, deferred tax liabilities and other corporate liabilities.

For the six months ended 30 June 2024

	Property *HK$'000*	Hospitality *HK$'000*	Transportation *HK$'000*	Investment *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Revenue and other income						
External revenue						
Revenue from contracts with customers						
— Recognised at a point in time	153,561	70,656	—	12,671	—	236,888
— Recognised over time	1,394,717	231,025	—	—	—	1,625,742
	1,548,278	301,681	—	12,671	—	1,862,630
Revenue from other sources						
— Rental income	232,496	—	—	101	—	232,597
— Dividend income	—	—	—	67,249	—	67,249
	232,496	—	—	67,350	—	299,846
	1,780,774	301,681	—	80,021	—	2,162,476
Inter-segment revenue	309	563	—	—	(872)	—
Other income (external income and excluding interest income)	14,663	4,600	—	1,780	—	21,043
	1,795,746	306,844	—	81,801	(872)	2,183,519
Segment results	363,438	(86,043)	—	50,885	—	328,280
Fair value changes on investment properties	(142,052)	—	—	—	—	(142,052)
Interest income						116,995
Unallocated net corporate expenses						(103,504)
Operating profit						199,719
Finance costs						(351,392)
Share of results of joint ventures	(146,217)	(23,919)	—	—	—	(170,136)
Share of results of associates	(25,836)	(8,810)	5,938	(27,607)	—	(56,315)
Loss before taxation						(378,124)
Taxation						(35,027)
Loss for the period						(413,151)

For the six months ended 30 June 2023

	Property HK$'000	Hospitality HK$'000	Transportation HK$'000	Investment HK$'000	Eliminations HK$'000	Consolidated HK$'000
Revenue and other income						
External revenue						
Revenue from contracts with customers						
— Recognised at a point in time	175,165	64,888	—	13,725	—	253,778
— Recognised over time	783,519	165,373	—	—	—	948,892
	958,684	230,261	—	13,725	—	1,202,670
Revenue from other sources						
— Rental income	226,682	—	—	165	—	226,847
— Dividend income	—	—	—	65,631	—	65,631
	226,682	—	—	65,796	—	292,478
	1,185,366	230,261	—	79,521	—	1,495,148
Inter-segment revenue	332	615	—	—	(947)	—
Other income (external income and excluding interest income)	7,946	79,353[i]	—	415	—	87,714
	1,193,644	310,229	—	79,936	(947)	1,582,862
Segment results	223,171	5,941	—	(220,793)[ii]	—	8,319
Fair value changes on investment properties	(132,767)	—	—	—	—	(132,767)
Interest income						100,693
Unallocated net corporate expenses						(93,023)
Operating loss						(116,778)
Finance costs						(299,878)
Share of results of joint ventures	(4,266)	(6,579)	—	—	—	(10,845)
Share of results of associates	28,750	(7,085)	8,800	(19,357)	—	11,108
Loss before taxation						(416,393)
Taxation						(1,356)
Loss for the period						(417,749)

Notes:

(i) Amount included hotel management contract termination income of HK$75,353,000.

(ii) Amount included fair value loss on financial assets at fair value through profit or loss of HK$272,091,000 (note 4).

As at 30 June 2024

	Property	Hospitality	Transportation	Investment	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Assets						
Segment assets	**25,243,155**	**4,574,995**	**225,192**	**1,601,679**	**—**	**31,645,021**
Joint ventures	**10,218,971**	**(184,708)**	**—**	**—**	**—**	**10,034,263**
Associates	**4,499,245**	**107,761**	**404,471**	**627,391**	**—**	**5,638,868**
Unallocated assets						**4,412,993**
Total assets						**51,731,145**
Liabilities						
Segment liabilities	**925,458**	**224,247**	**20**	**24,487**	**—**	**1,174,212**
Unallocated liabilities						**17,424,807**
Total liabilities						**18,599,019**

As at 31 December 2023

	Property	Hospitality	Transportation	Investment	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Assets						
Segment assets	26,079,948	4,731,829	225,190	1,549,076	—	32,586,043
Joint ventures	10,495,337	(148,502)	—	—	—	10,346,835
Associates	4,559,082	115,048	397,937	667,298	—	5,739,365
Unallocated assets						3,149,456
Total assets						51,821,699
Liabilities						
Segment liabilities	779,789	248,833	20	20,176	—	1,048,818
Unallocated liabilities						16,706,702
Total liabilities						17,755,520

4 OTHER LOSSES, NET

	For the six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
Net gain on disposal of property, plant and equipment	—	4
Net loss on disposal of a subsidiary	—	(5)
Fair value loss on financial assets at fair value through profit or loss	—	(272,091)
	—	(272,092)

5 OPERATING PROFIT/(LOSS)

	For the six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
After crediting:		
Interest income from bank deposits and others	**116,995**	100,714
Rental income from investment properties	**109,374**	112,224
Dividend income from listed investments	**9,253**	9,207
Dividend income from unlisted investments	**57,996**	56,424
After charging:		
Cost of inventories sold		
— properties	**1,090,998**	699,163
— others	**19,189**	20,690
	1,110,187	719,853

6 FINANCE COSTS

	For the six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
Interest on bank borrowings	**336,766**	321,951
Interest on lease liabilities	**2,561**	1,577
Other finance costs	**12,065**	12,479
Total finance costs	**351,392**	336,007
Less: Amount capitalised in hotel building under construction	**—**	(36,129)
	351,392	299,878

7 TAXATION

	For the six months ended 30 June	
	2024	2023
	HK$'000	*HK$'000*
Current taxation		
Hong Kong profits tax	**3,894**	3,645
Non-Hong Kong taxation	**155,310**	24,417
	159,204	28,062
Deferred taxation		
Origination and reversal of temporary differences	**(124,177)**	(26,706)
	35,027	1,356

Hong Kong profits tax is calculated at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits for the period. Non-Hong Kong taxation is calculated at tax rates applicable to jurisdictions in which the Group operates, mainly in Macau, the PRC and Singapore at 12%, 25% and 17% (2023: 12%, 25% and 17%) respectively.

8 INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend in respect of the six months ended 30 June 2024 (2023: nil).

9 LOSS PER SHARE

The calculation of basic loss per share is based on loss attributable to owners of the Company of HK$428,108,000 (2023: HK$424,732,000) and the weighted average number of 3,017,661,785 shares (2023: 3,020,379,785 shares) in issue during the period.

Basic and diluted loss per share were the same as the Company had no potentially dilutive ordinary shares in issue for the period ended 30 June 2024 (2023: same).

10 TRADE RECEIVABLES AND PAYABLES

Trade receivables 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 sales of properties the proceeds from which are receivable pursuant to the terms of the relevant agreements.

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

	30 June 2024 *HK$'000*	31 December 2023 *HK$'000*
0 — 30 days	**57,189**	53,592
31 — 60 days	**16,985**	24,996
61 — 90 days	**5,784**	14,470
over 90 days	**14,261**	4,945
	94,219	98,003

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

	30 June 2024 *HK$'000*	31 December 2023 *HK$'000*
0 — 30 days	**191,479**	256,280
31 — 60 days	**1,955**	3,869
61 — 90 days	**34**	42
over 90 days	**1,099**	1,694
	194,567	261,885

BUSINESS REVIEW

PROPERTY

In the first half of 2024, the pace and momentum of business recovery in major global markets was slower than expected. Headwinds including geopolitical tensions, high interest rates, and economic instability in Mainland China, combined to dampen investments and consumer spending. In effort to stimulate the local property market, Hong Kong and Macau relaxed all anti-speculation measures in February and April 2024, respectively. The Group seized this opportunity to launch a new batch of units at Nova Grand in Macau and received a favorable response from the local community. As such, with more units of Nova Grand transacted and revenue recognised over time for Park Nova and Les Maisons Nassim in Singapore, the division reported a profit of HK$363 million (1H 2023: HK$223 million).

Property Developments

Projects completed with recent sales

In Macau

Nova Park (Group interest: 100%)

Nova Park is the fourth phase of the Group's landmark project, Nova City. Located at the heart of Taipa, Nova Park covers a gross floor area of around 680,000 square feet. The development has proven to be a success as 98% of its 620 residential units have been sold as of 30 June 2024.

Nova Grand (Group interest: 71%)

Nova Grand, the final phase of Nova City, features eight towers containing more than 1,700 residential units. In the first half of 2024, 65 units were contracted while 9 units were recognised. As of 30 June 2024, 92% of the units were sold, demonstrating the project's popularity among local residents in Macau.

In Eastern China

Shanghai Suhe Bay Area Mixed-use Development Project (Group interest: 50%)

Jointly developed with China Resources Land Limited, this mega integrated development is located alongside the Suhe Creek in the buoyant commercial hub of Jingan. Encompassing the heritage retail lane Shen Yu Lane and the Tin Hau Temple, the project showcases a harmonious integration of commercial and tourism development, emphasizing the revitalization of heritage and thereby enhancing cultural tourism. The development also comprises the grade-A office Suhe Centre, two residential towers, three commercial blocks, and the premium shopping mall MixC World – making up more than 79,000 square meters of aboveground gross floor areas for sales, as well as more than 140,000 square meters of gross floor areas available for leasing.

All of the project's residential units have been handed over to individual buyers. Featuring a diverse mix of tenants from fashion stores to gourmet restaurants and chic cafés, MixC World achieved 91% occupancy as of 30 June 2024. Several multinational tenants have also moved into Suhe Centre, improving the leasing rate to 55% as of the same date.

In Southern China

Hengqin Integrated Development (Group interest: 100%)

Strongly supported by the Central Government, the Hengqin-Guangdong-Macao In-Depth Cooperation Zone (the "Zone") aims to promote the integrated development of Hengqin and Macau and facilitate Macau's economic diversification. Set within the Zone, Hengqin Integrated Development is conveniently connected to the Hengqin Port – a cross-border facility operating 24 hours a day. It also sits at the intersection of the Guangzhou-Zhuhai Intercity Railway and the future Macau Light Rapid Transit station.

In the first half of 2024, several policies were introduced to support the economic development in the Zone. Office leasing and pre-leasing of the mall are in progress. The mall is expected to open in the second half of 2025 with a focus on leisure-themed tenants and specialty dining. For residential sales, the remaining four show flats out of 426 residential units are expected to be sold within 2024.

Included in the project, the 230-room Artyzen Habitat Hengqin Zhuhai commenced operation in March 2024. With its lively spaces, the hotel aims to enhance the development's appeal as a premier hub for both living and travel.

In Singapore

111 Somerset (Group interest: 100%)

Located in the commercial district of Orchard Road near the Somerset MRT station, 111 Somerset is a 17-storey integrated development featuring two office towers, a two-level retail podium and a two-level basement car park, covering a gross floor area of approximately 766,550 square feet.

Although some signs showed that the end of the post-pandemic boom may constrain growth prospect in Singapore, its leasing market has proven resilient in the first half of 2024, supporting the property's ability to deliver stable rental income. As of 30 June 2024, the development achieved an overall committed occupancy rate at 98% across all sectors including business, retail, medical and office zones.

Projects under development

In Northern China

Tongzhou Integrated Development, Beijing (Group interest – Phase 1: 24%)

Tongzhou Beijing is the new home for the headquarters of Beijing's Central Government and many state-owned enterprises. Strategically located along Grand Canal in Tongzhou Beijing, the iconic Tongzhou Integrated Development is set to offer 127,000 square meters of retail space, 119,000 square meters of office space, and 50,000 square meters of apartment units. The retail podium will link with the M6 metro line to offer direct connection to the heart of Beijing. The first stage of the project is scheduled for completion in 2025, while presales of its apartments are expected to begin once the presale consent is granted by the government.

Tianjin South HSR Integrated Development (Group interest: 30%)

The 77,000-square-meter site of Tianjin South HSR Integrated Development was acquired in 2018 – as part of a strategic partnership between the Group and Singapore-based Perennial Holdings Private Limited ("Perennial"). Positioned as a state-of-the-art "health city" adjacent to the Tianjin South High-Speed Railway Station, the development is set to meet the growing demand for quality medical care in the fast-growing "Jing-Jin-Ji" megalopolis. In addition to a modern general hospital and elder care facilities, the development will feature retail and hospitality services with a hotel over a commercial area spanning 330,000 square meters. Fitting-out works of the development are in progress. In June 2024, a portion of the project's eldercare components held a soft opening, while other sections will begin operations in the second half of 2024.

In Western China

Kunming South HSR Integrated Development (Group interest: 30%)

The 65,000-square-meter Kunming South HSR Integrated Development was acquired by the Group in partnership with Perennial in December 2018. Located near a high-speed railway station, the development is positioned to become a regional healthcare and commercial hub featuring modern hospitality, medical care, eldercare, MICE and retail spaces across a gross floor area of approximately 550,000 square meters. Electrical, mechanical and facade works are ongoing, and operations are scheduled to begin in phases in 2025.

In Singapore

Park Nova (Group interest: 100%)

Situated in Singapore's upscale residential area near the famed Orchard Road shopping belt, Park Nova is a 21-storey residential tower featuring a strata area of approximately 125,000 square feet with 51 simplex units and three penthouses. Towering above Orchard Boulevard, the exclusive residence offers panoramic views over lush greenery. Each unit is served by a private lift lobby, delivering residents a bespoke urban luxury lifestyle. The property served as a testament to the Group's success in luxury property market. Interior works are well underway with completion expected in late 2024.

Imbued with a biophilic design philosophy, Park Nova epitomizes the Group's pioneering concept of "smart new urban homes" in harmony with the local environment. Its innovative design has been honored by some of the most esteemed awards in the industry, including the five-star "Best Apartment/Condominium Singapore" by Asia Pacific Property Awards 2022, and "Best Condo Architectural Design (Asia)" at 2022 PropertyGuru Asia Property Awards.

Les Maisons Nassim (Group interest: 100%)

Located in one of Singapore's most exclusive districts, the prestigious site of Les Maisons Nassim is set to become the city's "Bungalow-in-the-Sky". Spanning approximately 110,000 square feet and situated near other prestigious bungalows in the district, this majestic development will feature a total of 14 luxurious units, including nine simplex apartments, two duplexes and three penthouses. Each residence is equipped with a private lift and comes with a personal parking space, while large avenues surrounded by luxuriant plants exude subtle luxury and sophistication defining the exclusive enclave. All units were sold in 2023, while handover has begun in phases in 2024. Fitting-out works are in progress.

Projects under planning

In Macau

Harbour Mile

The Group will, upon receiving notice from the Macau SAR Government regarding the allotment of the land parcels, set out the most appropriate development strategy for the site.

Property Investments

In Hong Kong

liberté place (Group interest: 64.56%)

Located at Lai Chi Kok MTR station in West Kowloon, the mall has proven to be a consistent source of income for the Group. Followed by an upgrade in shop subdivisions and a re-configuration in the layout, new prospects in home furniture and fashion were procured in the first half of 2024. The leasing team will continue to adjust the tenant mix to diversify the property's retail portfolio in a way to potentially secure higher revenue. As of 30 June 2024, the occupancy rate stood at 98%.

The Westwood (Group interest: 51%)

Within the residential area of The Belcher's and adjacent to HKU MTR station, The Westwood is positioned as a one-stop shopping and entertainment mall for families in the Western District of Hong Kong Island. During the first half of 2024, the kids' game centre was undergoing an area expansion to include more entertainment options. The expansion is expected to be completed by the third quarter of 2024, further strengthening the mall's positioning as a family-oriented destination. The leasing team will continue to fine-tune the trade mix to increase traffic flow. As of 30 June 2024, The Westwood recorded an 88% occupancy rate.

Chatham Place (Group interest: 51%)

This three-storey arcade adjoining Chatham Gate in Hung Hom is committed to transforming into an educational hub. To reinforce its positioning in education, the leasing team is seeking to procure an international school operator to take up the remaining space on the ground floor. A variety of potential prospects in other businesses were also explored. As of 30 June 2024, the property recorded a 44% occupancy rate.

Shun Tak Centre Portfolio

Located in the core business area of Sheung Wan, Shun Tak Centre is a commercial and transportation node comprising the Hong Kong-Macau Ferry Terminal, two Grade A office towers atop a shopping mall. The Group owns a 100% interest of Shop 402 and, overall, a 55% interest in a collection of assets at Shun Tak Centre, which comprises 213,786 square feet of retail area, 13,827 square feet of gross office area and 85 parking spaces.

In the first half of 2024, the revival of tourism industry in Hong Kong, Macau and Mainland China has led to a satisfactory business performance for the mall's tenants. Meanwhile, the renovation in east and west wing atriums is ongoing, while the final phase of the renovation is expected to be completed by the second half of 2024. Prudent tactics have been adopted to maintain occupancy and revenue before mall renovation is completed. As of 30 June 2024, the occupancy rate stood at 83%.

In Shun Tak Centre 402, the Fencing Academy and the exhibition hall remained the key anchor tenants. The Group is currently exploring the possibility of repurposing the space previously occupied by the indoor golf club for food and beverage operators to attract more foot traffic to this upper floor level, while the exhibition hall is under review for club house purpose.

In Macau

Nova Mall (Group interest: 50%)

A joint investment with Abu Dhabi Investment Authority, Nova Mall is a one-stop shopping destination located at the heart of Taipa's Nova residential community. In the first half of 2024, the business performance of the mall was challenged by diversified consumer spending to Mainland China. Despite challenging market conditions, the leasing team successfully retained a number of valued tenants, contributing to an occupancy rate of 84% as of 30 June 2024.

One Central Shopping Mall (Group interest: 51%)

A joint venture with Hongkong Land Holdings Limited, One Central is positioned as a prominent shopping destination for customers in the Greater Bay Area ("GBA"). Spanning 200,000 square feet in the leasable shop area, it is home to a glittering array of world-class luxury brands. The mall is currently undergoing a renovation on the second floor, which is set to complete by the second half of 2025, featuring diverse food and beverage options and quality lifestyle brands. During the first half of 2024, trading was impacted by undergoing upgrade works, reflecting a lower contribution from the shopping mall. However, the mall retained a satisfactory occupancy rate of 99% as of 30 June 2024.

Shun Tak House (Group interest: 100%)

Located at the heart of Macau's major tourist locale, this 28,000-square-foot property is predominantly occupied by two anchor tenants and maintained full occupancy as of 30 June 2024.

In Mainland China

NEW BUND 31, Qiantan, Shanghai (Group interest: 50%)

Jointly developed with Shanghai Lujiazui (Group) Company Limited, NEW BUND 31 is Shanghai's first mixed-use cultural and commercial development project located in Qiantan International Business District. Stretching over 139,200 square meters, it comprises not only a class-A office tower, retail space, and a 202-room five-star Artyzen hotel managed by the Group, but also the Performing Arts Center ("PAC") – the largest professional indoor theater in Shanghai. Accommodating a 2,500-seat concert hall and the state-of-the-art Black Box Arts Space spanning 1,500 square meters, the PAC will further reinforce NEW BUND 31 as a commercial and cultural hub in Shanghai.

Launched in October 2023, the project has been honored with a dazzling array of industry recognitions, including the Best Mixed-Use Development (Asia) by the 18th PropertyGuru Asia Property Awards; the Best Landmark Development and the Best Mixed-Use Development by the 10th PropertyGuru Asia Property Awards (Mainland China); a Gold award by Global Future Design Awards 2023; the Best Integrated Commercial Development – Gold by the GBE HOPSCA Awards 2022-2023; a Silver award in Future Project and an Excellence award in Planning Design by China Real Estate & Design Award (CREDAWARD); a Bronze award in Best Hospitality, Tourism and Leisure Project by MIPIM Asia Awards; an Excellence award by the 31st Asia Pacific Interior Design Awards; and the Architecture & Design Award by the World Design Awards 2023.

Shun Tak Tower Beijing (Group interest: 100%)

Shun Tak Tower is located at Dong Zhi Men in Beijing, next to the airport highway and near Beijing's thriving downtown and embassy area. It comprises an office area of approximately 240,000 square feet (22,273 square meters) and houses the 138-room Artyzen Habitat Hotel. Office occupancy stood at 76% as of 30 June 2024.

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

A 32-storey office tower atop a six-storey shopping mall, this development in Guangzhou maintained an average occupancy rate of 64% as of 30 June 2024.

Property Services

The division offers professional property and facility management services in Hong Kong and Macau. Overseeing a portfolio of over 16 million square feet of gross floor area, it also offers professional cleaning and laundry services in Macau. Going forward, the division is committed to enhancing efficiency and exploring new business opportunities.

HOSPITALITY

The hospitality business in Hong Kong, Macau and Mainland China continued to regain its momentum at a steady pace in the first half of 2024. While the industry gradually returns to normalcy, customer spending habits have changed in the post pandemic era with a growing demand for cultural and in-depth experiences in tourism. During the first half of 2024, the Group welcomed the addition of two new flagship hotels, the Artyzen Habitat Hengqin Zhuhai and the Artyzen Habitat Chongqing, articulating the "Tourism+" strategy the Group adhered to in its recent development. Driven by a steady climb in tourists, and a pickup in conferences and events, occupancy rates across hotels owned or managed by the Group recorded a satisfactory performance. However, peripheral factors such as geopolitical tensions, elevated costs and labor shortage still impeded sector recovery. In the first half of 2024, the division posted a loss of HK$86 million (1H 2023: profit of HK$6 million).

Hotels owned by the Group

Hong Kong SkyCity Marriott Hotel (Group interest: 70%)

Strategically located adjacent to the AsiaWorld-Expo ("AWE") – Hong Kong's largest convention and exhibition center – and near the Hong Kong International Airport, Hong Kong SkyCity Marriott is a 658-room airport hotel boasting a well-established reputation for hosting major MICE events attendees and serving the airline, aviation, corporate markets and transit business.

As the Hong Kong government is vigorously promoting the mega event economy, more international events and concerts were held at AWE during the first half of 2024, boosting the demand for rooms, food and beverage. Consequently, the hotel achieved in an average occupancy of 71% as of 30 June 2024. However, growing room inventory in the airport and Tung Chung area continued to exert pressure on room rates.

Mandarin Oriental, Macau (Group interest: 51%)

Towering over the picturesque Macau waterfront, Mandarin Oriental, Macau offers 213 rooms and suites that command spectacular views of Nam Van Lake and Macau Bay, complemented by its exceptional hospitality and impeccable bespoke services.

As tourists continued to return, the hotel recorded a steady improvement in its revenues from room bookings, while food and beverage and SPA still lagged pre-pandemic level. Nevertheless, throughout the first half of 2024, the occupancy rate improved slightly to 63%.

In the first half of 2024, Mandarin Oriental, Macau received several accolades including Best Hotel in Macau by DestinAsian's Readers' Choice Awards 2024, Tripadvisor Travelers' Choice Awards 2024, Best Hotels, Best Hotel Pools and Best Hotel Spas in Macau by Travel + Leisure Luxury Awards Asia Pacific 2024.

Artyzen Hospitality Group

Artyzen Hospitality Group Limited ("AHG"), a hotel management subsidiary of the Group, is headquartered in Hong Kong with regional offices in Macau and Shanghai. AHG created two homegrown flagship hotel brands – Artyzen Hotels and Resorts and Artyzen Habitat; and a collection of distinctive lifestyle properties to capture the demand for bespoke guest experiences of the millennial markets with elevated Asian aspirations. Central to AHG's service culture is "emotional wisdom", an Asian-rooted philosophy that promises memorable experiences with authentic and sincere interactions. By celebrating the beauty of traditions, the heritage of its location, and the people in the communities, the Group aims to bring people together and create a sense of meaningful connections for one's journey.

2023 proved a significant year for AHG with the launch of the 'A Tale of Two Cities' campaign, which included the openings of Artyzen Singapore and Artyzen NEW BUND 31 Shanghai. The group also expanded the presence of Artyzen Habitat in Suzhou and Taopu, Shanghai. The excitement continued in the first half of 2024 with the opening two debuts of the Artyzen Habitat Hengqin Zhuhai – the first Artyzen Habitat hotel in the Greater Bay Area – and of the Artyzen Habitat Chongqing, the brand's first foray in Southwestern China.

Additionally, AHG is currently working on two hotel projects with Singapore-based Perennial Holdings Private Limited and will play an asset management role for a 982-room hotel in Tianjin via Nexus Hospitality Management Limited, an AHG joint venture.

The Group achieved multiple industry accolades as Artyzen Hotels and Resorts brand was awarded "The Most Anticipated Lifestyle Brand 2023" by GOGOShanghai and "The Most Valuable Luxury Hotel Brand of China Hospitality Industry" by China Hospitality Brand Value Award while the Artyzen Habitat brand received the "New Lifestyle Brand of the Year Award" at The Bund D.E.S.I.G.N Hotels Award.

Hotels owned by the Group and managed by Artyzen Hospitality Group

Artyzen Singapore (Group interest: 100%)

Located at the heart of the Lion City, Artyzen Singapore is just a stone's throw from the bustling Orchard Road and major embassies, and steps away from Singapore Botanic Gardens, the city's first UNESCO Heritage Site.

The flagship hotel, opened in November 2023, is AHG's first property outside of China, deepening the Group's presence in the global hospitality sector. Inspired by Singapore's culture, colors, and flavors, the hotel is designed as a vertical oasis featuring 142 rooms and suites with balconies for luxury travelers. In April 2024, Artyzen Singapore became a member of the prestigious Fine Hotels + Resorts® program with American Express Travel®, a testament to Artyzen's seamless integration of local sensibilities to create a bespoke modern luxury lifestyle experience.

In the first half of 2024, the hotel also garnered several accolades, including the "I Prefer Members' Choice Awards Winner 2023" and the "Best Hotel Architecture Singapore" at the Asia Pacific Property Awards 2023.

Grand Coloane Resort (Group interest: 34.9%)

An exclusive resort tucked away at the south-eastern tip of the Coloane island overlooking the picturesque Hac Sa Beach and an 18-hole championship golf course at the Macau Golf & Country Club, Grand Coloane Resort offers guests a tranquil resort experience with 208 guest rooms and suites, all of which boast a private balcony.

In the first half of 2024, the hotel actively pursued various channels to maximize room occupancy, including partnering with local travel agencies for group segments, leading to an increase of occupancy rate to 58%.

Artyzen Habitat Hengqin Zhuhai (Group interest: 100%)

Artyzen Habitat Hengqin Zhuhai is an integral part of Shun Tak's Hengqin Integrated Development. Strategically located adjacent to the Hengqin Port, this lifestyle hotel is steps away from the Hengqin Line, seamlessly connecting Macau, Zhuhai Jinwan Airport, Zhuhai Railway Station and Chimelong Ocean Kingdom. It is an ideal base to explore an all-in-one leisure, entertainment, dining, and shopping experience of Zhuhai, Macau, and Hong Kong. This modern lifestyle hotel with graffiti-inspired interior decor, boasts 230 cozy guestrooms for a bright and vibrant ambiance. These well-equipped, comfortable rooms feature thoughtful amenities and bathroom layouts separating wet and dry spaces. The hotel commenced operations in March 2024.

Artyzen NEW BUND 31 (Group interest: 50%)

Artyzen NEW BUND 31 is located along the Huangpu River in Qiantan, Shanghai's emerging business and cultural hub. Part of NEW BUND 31, the Group's iconic integrated property, the 202-room hotel is adjacent to the Bank of Communications NEW BUND 31 Performing Arts Center, the largest indoor theater in Shanghai. Opened in October 2023, the lifestyle hotel's contemporary classic subtlety weaves Shanghai's unique aesthetics, art, and cultural temperament into a one-of-a-kind haven of respite and curiosity.

Artyzen Habitat Hongqiao Shanghai (Group interest: 100%)

Enjoying close proximity to Shanghai's National Exhibition and Convention Center, Artyzen Habitat Hongqiao Shanghai is favored by senior executives from around the world and other parts of China. Located at the buoyant retail and leisure hub Shanghai MixC complex, the 188-room hotel exudes a dynamic urban vibe, while offering an attractive combination of social, dining and event spaces to inspire close connections between travelers in search of authentic experiences. The hotel's average occupancy for the first half of the year was approximately 59%.

YaTi by Artyzen Hongqiao Shanghai (Group interest: 100%)

Located within Shanghai's MixC complex, YaTi by Artyzen Hongqiao Shanghai is a 303-room stylish budget hotel. In addition to domestic travelers, the hotel caters to an increasing number of international travelers, mainly from Asia regions.

Artyzen Habitat Dongzhimen Beijing (Group interest: 100%)

The 138-room Artyzen Habitat Dongzhimen Beijing blends contemporary design with cultural heritage to deliver an immersive old-meets-new experience for discerning travelers. The hotel's average occupancy was approximately 71% in the first half of the year.

Artyzen Habitat Suzhou (Group interest: 10%)

Situated in the quaint Gusu district of Suzhou, a National Historical and Cultural City Conservation Zone, Artyzen Habitat Suzhou is adjacent to famous historic sites such as the Canglang Pavilion and the Humble Administrator's Garden.

With a design that blends the essence of Suzhou's history and classical city landscapes, the 160-room hotel was opened in March 2023. The hotel's average occupancy reached around 61% in the first half of the year.

Hotels managed by Artyzen Hospitality Group

Artyzen Grand Lapa Macau

Set in the heart of Macau, Artyzen Grand Lapa Macau is a 426-room upscale lifestyle urban city resort hotel, offering a window into the city's culturally rich and remarkable heritage. The hotel's food and beverage outlets serve innovative culinary dishes from Portuguese, Macanese, Chinese, and Thai cuisines. It also features eclectic bar offerings and stylish function facilities. The hotel's resort contains a large variety of leisure facilities including pools, fitness, tennis and spa surrounded by lush gardens.

During the first half of 2024, the hotel has received multiple accolades, including, the "Quality Tourism Services Merchant Award" by Macao Government Tourism Office, Top 5 Best Hotel Spas in Macau by Travel + Leisure Luxury Awards Asia Pacific 2024.

Artyzen Habitat Chongqing

Located in Yuelai International Exhibition City, a core component of Chongqing's Liangjiang New Area, it is adjacent to the Chongqing International Expo Center and the Yuelai International Convention Center.

A contemporary lifestyle hub connecting work and play as well as people and ideas Artyzen Habitat Chongqing's design is inspired by the boundary-breaking urban parkour concept. Featuring 378 spacious rooms catering to both business and leisure travelers, it offers a variety of specialty dining services and flexible meeting and events spaces. The hotel opened in May 2024.

Artyzen, Artyzen Habitat and Eature Residences Lingang

Encapsulating a premium modern lifestyle, these three properties are strategically located in Shanghai's Lingang Special Area, home to the Lingang Xinchen International Conference Center. Within walking distance are the Shanghai Astronomy Museum and Shanghai Haichang Ocean Park, the hotel is just a 40-minute drive away from Shanghai Disneyland.

Fusing tradition with modern elegance in its design, Artyzen Lingang offers 305 well-appointed rooms, some overlooking the magnificent Dishui Lake.

Artyzen Habitat Lingang offers 364 contemporary rooms with modern facilities providing an inviting experience for both leisure and business travelers.

Merely a 15-minute walk from Dishui Lake, Eature Residences Lingang offers 128 units in a well-furnished hotel-apartment setting.

Artyzen Habitat Qiantan Shanghai and The Shàng by Artyzen

Artyzen Habitat Qiantan Shanghai and The Shàng by Artyzen are located in the Qiantan district in Pudong, Shanghai, along the bustling Huangpu Riverfront.

Designed as an "Urban Oasis", the 246-room Artyzen Habitat Qiantan Shanghai encapsulates the modern city lifestyle with spacious social areas. These include the brand's signature Amphitheatre, featuring floor-to-ceiling glass windows and a lush garden wall, offering travelers a space to immerse themselves in cultural exchanges. The hotel recently garnered the "Best Urban Chic Hotel" at The 9th Best BANG Awards.

The Shàng by Artyzen is a boutique lifestyle hotel comprising 210 cozy rooms that incorporates the charm of Shanghai's alleys in its design.

Artyzen Habitat Taopu Shanghai

Located in Shanghai's TOP Smart City industrial complex – a new emblem in northwestern Shanghai epitomizing the "integration of production-depth city" – Artyzen Habitat Taopu Shanghai integrates the history and spirit of the former industrial town into a contemporary design that harmonizes nature, technology and culture.

The 212-room modern hotel features the brand's signature social space, Townsquare and Amphitheatre, to facilitate the exchange of innovative ideas among business and leisure travelers.

Tourism Facility Management

One of Macau's most iconic tourist attractions, the Macau Tower Convention & Entertainment Centre ("Macau Tower") is the first non-gaming attraction and international standard MICE venue in Macau. As visitor arrivals reached more than 80% of the pre-pandemic level for the first half of the year, revenues from the sale of tickets to the observation decks surged, while income from banquets and MICE improved significantly. However, sharply lower average spending per visitor and intense retail, food and beverage competition from nearby mainland Chinese cities continued to impact both rental income and the performance of food and beverage outlets. Macau Tower is experimenting with different strategies to increase ancillary revenue and lead generation for MICE, cross-sell different products with sister properties and enhance the use of digital channels to drive direct sales while engaging with a new generation of customers.

Membership Club

Artyzen Club, a subsidiary of the Group, is a contemporary networking and dining venue for business executives and professionals. Located in Hong Kong's central district, this private club serves Asian, Portuguese and Western cuisines for members to enjoy throughout the year. In addition to an outdoor swimming pool, sports and wellness amenities, it offers entertainment such as karaoke and card games. Its 519 members can also enjoy traveling benefits and special booking arrangements from the Group's hotels and TurboJET, and access numerous reciprocal clubs in Australia, the Philippines, Singapore, United Kingdom and the Middle East.

The Club has been proactively expanding its membership schemes to attract employees of regional investment institutions who travel regularly and require attentive concierge service and access to the Club's exclusive facilities.

TRANSPORTATION

In the first half of 2024, the tourism industry within Hong Kong, Macau, and Mainland China continued its recovery trajectory. The division successfully leveraged its extensive sea-land-air transport portfolio, offering versatile and efficient transportation solutions across the Greater Bay Area ("GBA"). This enabled the division to capitalize on the surging regional traffic driven by rising number of Hong Kong residents favoring short stays in Mainland China and promotional efforts by the Macau Government. As a result, the division's overall business performance remained resilient, recording a shared profit of HK$6 million for the first half of 2024 (1H 2023: HK$9 million).

Shun Tak – China Travel Shipping Investments Limited

It has been the Group's long-standing commitment to facilitate regional integration as part of our core strategy that aligns with the national development plan. The division not only bears witness but is also dedicated to the advancement of the interconnectivity in the GBA and plays a pivotal role at the forefront of developing a seamless multimodal transportation network, underlining the Group's leadership in regional infrastructure innovation.

To seize the opportunities arising from the Development Plan for the Guangdong-Hong Kong-Macao GBA with its rapidly expanding infrastructure, Shun Tak – China Travel Shipping Investments Limited ("STCTSI") strategically restructured the shareholding to become a 50/50 company co-owned by the Company and China Travel International Investment Hong Kong Limited ("CTII") in July 2020. This move aims to further diversify its transportation portfolio by consolidating both sea and land transportation resources, as well as network advantages under STCTSI.

Leveraging its solid foundation and expertise in the cross-border travel within the GBA, the division has strategically extended its business beyond its core ferry services under TurboJET and has participated and invested in an array of cross-border land transportation services including Hong Kong-Zhuhai-Macao ("HZM") Bridge shuttle buses (Golden Bus), cross-border coaches and limousine services. Combining its robust fleets of TurboJET ferries and CTG buses, the division further strengthened the collaboration with different transport operators to sharpen its market competitiveness. In January 2024, TurboJET was appointed as the General Sales Agent for East Asia Airlines providing sales services for helicopter flights between Hong Kong, Macau and Shenzhen, operated by Sky Shuttle. This laid a foundation for the division to explore additional business models in support of the Central Government's recent initiative for developing low-altitude economy in the GBA region.

In addition to establishing an intermodal codeshare arrangement with Cathay Pacific under TurboJET in March 2024, the Company's joint venture at SkyPier has secured the management renewal contract for the provision of cross boundary ferry and bonded bus passenger and baggage handling services at SkyPier Terminal for another "4+1" years with commencement date from 1 July 2024, further strengthening the division's inter-modal connection between the GBA cities and the world through Hong Kong International Airport. In April 2024, CTG Bus launched direct cross-border bus services between Hong Kong and Zhuhai Airport in support of the Hong Kong Government's "Fly via Hong Kong-Zhuhai" policy, facilitating mainland and international passengers to travel seamlessly between Zhuhai and Hong Kong International Airport and connecting them to mainland destinations and around the world via the HZM Bridge.

During the period, the Company continued to support the Macau Government's travel promotional campaign in boosting the tourism industry. In particular, TurboJET and Macau Hong Kong Airport Direct participated in the "Fly You to Macao" promotion, offering complimentary ferry and bonded bus tickets to eligible international visitors traveling to Macau from Hong Kong. Besides, the Company made significant efforts in support of the "Tourism+" development initiatives in forging multilateral public private partnerships. With support of the Macao Government, the division lined up with different industry partners with an aim to further enrich visitor experiences, promoting Macau as the World Centre of Tourism and Leisure.

Looking ahead, the division will continue to align its business strategy with national policies, capitalizing on opportunities from the robust development in the GBA and the enhanced cross-border infrastructure facilitated by the HZM Bridge and the newly opened Shenzhong (Shenzhen-Zhongshan) Link with an aim to foster multilateral collaborations with partners and operators, thereby creating synergies that advance our multi-modal transportation platform. Amidst a challenging business environment, particularly with constraints in human labor, the division will adhere to its implemented measures to enhance operational capabilities, strengthen marketing initiatives, improve passenger experiences, and provide more convenient and effective transportation options to meet the evolving mobility needs of passengers in the region.

INVESTMENTS

Being a long-term investor in Sociedade de Turismo e Diversões de Macau, S.A. ("STDM"), the Group held an approximately 15.8% effective interest in the company as at 30 June 2024. Incorporated in 1962 in Macau, STDM is the second largest shareholder of Macau International Airport Company Limited. It has also built and owns the renowned tourism and MICE landmark, Macau Tower. STDM held a shareholding of around 54.81% in SJM Holdings Limited as at 30 June 2024, whereas the latter is effectively entitled to a 100% economic interest in SJM Resorts, Limited (formerly known as "Sociedade de Jogos de Macau, S.A."), one of the six gaming concessionaires awarded a new gaming license by the Macau SAR Government in 2022. During the first half of 2024, the division recorded a profit of HK$51 million (1H 2023: loss of HK$221 million).

Kai Tak Cruise Terminal

The Group operates and manages Kai Tak Cruise Terminal in partnership with Worldwide Flight Services Holding SA and Royal Caribbean Cruises Ltd. During the first half of 2024, the terminal welcomed an increased number of cruises and visitors, and is expecting more ship calls by a wider variety of lines in the rest of the year. The seaport seeks to further raise its standards for more diversified experience to cruise lines and its guests.

Retail Matters Company Limited

Retail Matters Company Limited holds the Macau franchise for the international toy brand "Toys'R'Us", and is the global brand owner of the Italian gelato "Stecco Natura Gelaterie".

In the first half of 2024, Stecco Natura Gelaterie expanded its business by launching a new store in Macau at Studio City, marking its eighth outlet in Asia. To grow its presence in top-tier cities in Mainland China, the company plans to expand its penetration in Shanghai in the second half of 2024. Meanwhile, Toys'R'Us continued to introduce the latest toy trends and fun activities to local shoppers and tourists in Macau at its outlets in Studio City, Macau Tower and Nova Mall.

Despite weak recovery in consumption and increasing outbound travels, the company's overall business performance remained steady with a sales record on par with the same period last year. The company will strive to capture more sales from a wider market by means of business expansion.

RECENT DEVELOPMENTS AND PROSPECTS

Although the economy had experienced a strong boost from border reopening in 2023, the momentum began to slow down over the course of the reporting period. However, as the tourism sector continues its gradual recovery, the Group's early vision in its "Tourism+" strategy has timely captured the upward trend of cultural appreciation, an element acutely infused across the Company's diverse business divisions. Despite the persistent headwinds in the global market, the Group's hospitality and transportation divisions maintained stable growth with prudent strategies to secure a sustainable expansion. The property division on the other hand, has well penetrated into multi-markets in Hong Kong, Macau, Mainland China and Singapore through a diverse network of projects with its strategic business optimization and planning.

The tourism industry in the Group's key markets continued to recover in the first half of 2024 with an increase in mega events, however, the hospitality division's business performance was hindered by lingering market headwinds such as inflation and labor shortage. Capitalizing on the revival of tourism industry in the long run, the Group opened two new hotels — the Artyzen Habitat Hengqin Zhuhai and Artyzen Habitat Chongqing in the reporting period, further strengthening the Company's business presence in Mainland China. As part of the "Tourism+" approach, the division will carefully weave cultural elements in forms of varying customer experiences into an array of hotels in its operating markets.

To facilitate the development of Multi-Destination Travel, the transportation division, with its established network, is strategically mapping its expansion in line with government planning in the Guangdong-Hong Kong-Macao Greater Bay Area ("GBA"). The division, with its passenger services capacity restoring gradually, is committed to further enhance its multi-modal transportation capabilities and will continue to harness the Hong Kong-Zhuhai-Macao Bridge and other infrastructure to provide seamless travel options across this rapidly growing and increasingly interconnected economic zone. Meanwhile, the contract renewal with the division's joint venture at SkyPier for the provision of cross-border ferry, bonded bus passenger and baggage handling services for another "4+1" years commenced from July 2024.

The property division has achieved a diverse mix of integrated developments encompassing residential, retail, business, hospitality, and healthcare components in Hong Kong, Macau, Mainland China and Singapore. The strong regional diversification reduces volatility and enables the Group to withstand and navigate through different economic climate. Although investment appetite and consumer spending are dampened by adverse global factors such as high interest rate and elevated inflation, the division was able to maintain stable business growth with income derived from residential sales and creative leasing portfolio in malls and commercial units. The property division is expecting further growth in the upcoming project presale in Tongzhou, Beijing, once the presale consent is granted by the government.

In the second half of 2024, the Group is cautious on the economic outlook as uncertainties arise from global macro-economic factors and geopolitical tensions. Recognizing the strong support from the Central Government and the Governments of the Macau and Hong Kong SAR for the GBA, the Group intends to leverage integration opportunities in these key markets across all business divisions. With unwavering dedication, the Group is developing robust strategies to safeguard the interests of its shareholders and to ensure an even brighter future for all.

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

The Group's bank balances and deposits amounted to HK$7,761 million as at 30 June 2024, representing an increase of HK$1,127 million as compared with the position as at 31 December 2023. 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 2024 amounted to HK$20,012 million, of which HK$3,663 million remained undrawn. The principal amount of Group's bank borrowings outstanding at the period end amounted to HK$16,349 million.

Based on net borrowings of approximately HK$8,521 million at the interim period end, the Group's gearing ratio (expressed as a ratio of net borrowings to equity attributable to owners of the Company) was 27.6% (31 December 2023: 28.1%). 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 principal amount of Group's borrowings is set out below:

Maturity Profile

Within 1 year	1-2 years	2-5 years	over 5 years	Total
47%	8%	44%	1%	100%

Material Acquisitions, Disposals and Commitments

There was no material acquisition or disposal of the Group during the period.

As at 30 June 2024, the Group has outstanding commitments of approximately HK$16 million for hotel properties and investment properties.

In January 2018, the Group entered into an agreement with other partners to jointly invest in Perennial HC Holdings Pte. Ltd. ("HC Co"), which will invest in potential real estate projects in the PRC predominantly for healthcare usage, with hotel and/or with retails components, complemented by healthcare-related amenities and mixed use properties. The total committed capital for HC Co is US$500 million. The Group holds 30% equity interest in HC Co and thus has its share of commitment at US$150 million. As at 30 June 2024, the Group has an outstanding commitment to contribute capital of approximately US$76 million (equivalent to approximately HK$594 million) to HC Co.

Charges on Assets

At the period end, bank loans with principal amount of approximately HK$5,480 million (31 December 2023: HK$6,067 million) were secured with charges on certain assets of the Group amounting to an aggregate carrying value of HK$11,973 million (31 December 2023: HK$12,831 million). Out of the above secured bank loans, an aggregate principal amount of HK$548 million (31 December 2023: HK$548 million) was also secured by pledges of shares in certain subsidiaries.

Contingent Liabilities

The Company has provided a corporate guarantee for securing a banking facility granted to an associate. As at 30 June 2024, the bank loan balance proportionate to the Company's shareholding amounted to HK$113 million (31 December 2023: HK$164 million).

Financial Risk

The Group adopts a prudent approach to financial risk management to minimise currency exposure and interest rate risks. Majority of funds raised by the Group are on a floating rate basis. Except for bank loans with principal amount of RMB250 million and SGD810 million, the Group's outstanding borrowings at the period end are not denominated in foreign currencies. Approximately 67% of the bank deposits, cash and bank balances are denominated in Hong Kong dollar ("HKD"), Macau pataca ("MOP") and US dollar ("USD") and the remaining balance mainly in Singapore dollar ("SGD") and Renminbi ("RMB"). MOP and USD are pegged to HKD. The Group's principal operations are primarily conducted in HKD while its financial assets and liabilities are also denominated in USD, MOP, SGD and RMB. The Group will from time-to-time review its foreign exchange and market conditions to determine if hedging is required.

Human Resources

The Group, including subsidiaries but excluding joint ventures and associates, employed approximately 1,700 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 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE CODE

The Board is of the opinion that the Company has complied with all code provisions of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules throughout the six months ended 30 June 2024, except for code provision C.2.1, which requires the roles of Chairman and Chief Executive to be separate and not to be performed by the same individual. The Board is of the view that since all major decisions have been made in discussion among Board members and appropriate Board committees, the allocation of power and authority within the corporate structure is adequately balanced to satisfy the objective of this code provision. In addition, there are four independent non-executive directors on the Board who offer their respective experience, expertise and independent advice and views from different perspectives. Therefore, it is in the best interest of the Company that Ms. Pansy Ho, with her in-depth knowledge of the businesses and extensive experience in the operations of the Group, assumes her dual capacity.

REVIEW BY AUDIT AND RISK MANAGEMENT COMMITTEE

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2024 have been reviewed by the audit and risk management 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
Group Executive Chairman and Managing Director

Hong Kong, 27 August 2024

As at the date of this announcement, the executive directors of the Company are Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho, Mr. David Shum and Mr. Rogier Verhoeven; and the independent non-executive directors are Mr. Norman Ho, Mr. Charles Ho, Mr. Michael Wu and Mr. Kevin Yip.