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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

2023 Annual Results Announcement

GROUP RESULTS

The board of directors (the "Board") of Shun Tak Holdings Limited (the "Company") announces the consolidated annual results for the year ended 31 December 2023 of the Company and its subsidiaries (the "Group").

Consolidated loss attributable to owners of the Company for the year was HK$677 million (2022: HK$558 million). Underlying loss attributable to the owners which was principally adjusted for unrealised fair value changes on investment properties would be HK$209 million (2022: HK$102 million). Basic loss per share was HK22.4 cents (2022: HK18.5 cents).

DIVIDENDS

The Board does not recommend the payment of any final dividend (2022: nil) in respect of the year ended 31 December 2023. No interim dividend was declared by the Board during the year ended 31 December 2023 (2022: nil).

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	**2023**	2022
		HK$'000	*HK$'000*
Revenue	*3*	**4,068,138**	3,490,725
Other income		**338,319**	176,243
		4,406,457	3,666,968
Other losses, net	*4*	**(301,468)**	(242,391)
Cost of inventories sold and services provided		**(2,220,274)**	(1,583,732)
Staff costs		**(615,623)**	(532,547)
Depreciation and amortisation		**(148,096)**	(158,099)
Other costs		**(473,296)**	(410,768)
Fair value changes on investment properties		**(248,804)**	(374,414)
Operating profit	*3, 5*	**398,896**	365,017
Finance costs	*6*	**(683,821)**	(405,698)
Share of results of joint ventures		**(276,463)**	11,033
Share of results of associates		**(12,342)**	(371,474)
Loss before taxation		**(573,730)**	(401,122)
Taxation	*7*	**(59,776)**	(75,258)
Loss for the year		**(633,506)**	(476,380)
Attributable to:			
Owners of the Company		**(676,726)**	(558,222)
Non-controlling interests		**43,220**	81,842
Loss for the year		**(633,506)**	(476,380)
Loss per share (HK cents)	*9*		
— basic		**(22.4)**	(18.5)
— diluted		**(22.4)**	(18.5)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	HK$'000	*HK$'000*
Loss for the year	**(633,506)**	(476,380)
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	**(330)**	(905)
Reversal of asset revaluation reserve upon sales of properties, net of tax	**(12,932)**	(23,189)
Currency translation differences	**(133,892)**	(468,255)
Share of currency translation difference of joint ventures	**(143,315)**	(511,132)
Share of currency translation difference of associates	**18,045**	(228,899)
Share of other comprehensive income of associates	**1,869**	193
Items that will not be reclassified to profit or loss:		
Equity instruments at fair value through other comprehensive income: Changes in fair value	**(733,175)**	(203,412)
Other comprehensive loss for the year, net of tax	**(1,003,730)**	(1,435,599)
Total comprehensive loss for the year	**(1,637,236)**	(1,911,979)
Attributable to:		
Owners of the Company	**(1,673,569)**	(1,972,477)
Non-controlling interests	**36,333**	60,498
Total comprehensive loss for the year	**(1,637,236)**	(1,911,979)

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2023

	Note	2023 HK$'000	2022 HK$'000
Non-current assets			
Property, plant and equipment		**3,784,408**	3,581,707
Right-of-use assets		**742,088**	746,310
Investment properties		**9,960,051**	10,180,737
Joint ventures		**10,346,835**	11,980,319
Associates		**5,739,365**	5,650,658
Intangible assets		**2,134**	2,610
Financial assets at fair value through other comprehensive income		**1,487,492**	2,221,619
Financial assets at fair value through profit or loss		—	302,613
Deferred tax assets		**89,265**	96,013
Other non-current assets		**738,834**	387,483
		32,890,472	35,150,069
Current assets			
Properties for or under development		**1,322,232**	2,838,621
Inventories		**8,980,591**	9,201,380
Financial assets at fair value through other comprehensive income		—	14,549
Trade and other receivables, deposits paid and prepayments	*10*	**859,738**	973,528
Contract assets		**1,134,377**	305,117
Taxation recoverable		**303**	656
Cash and bank balances		**6,633,986**	6,538,029
		18,931,227	19,871,880
Current liabilities			
Trade and other payables, and deposits received	*10*	**902,973**	1,892,158
Contract liabilities		**81,901**	149,508
Lease liabilities		**36,523**	31,044
Bank borrowings		**3,974,148**	4,266,508
Provision for employee benefits		**7,318**	7,084
Taxation payable		**157,979**	176,439
Loans from non-controlling interests		**50,361**	60,361
		5,211,203	6,583,102
Net current assets		**13,720,024**	13,288,778
Total assets less current liabilities		**46,610,496**	48,438,847

	2023	2022
	HK$'000	*HK$'000*
Non-current liabilities		
Contract liabilities	**44,760**	39,414
Lease liabilities	**64,378**	27,988
Bank borrowings	**11,567,028**	11,705,945
Deferred tax liabilities	**864,751**	886,665
Other non-current liabilities	**3,400**	—
	12,544,317	12,660,012
Net assets	**34,066,179**	35,778,835
Equity		
Share capital	**9,858,250**	9,858,250
Other reserves	**21,856,984**	23,534,061
Equity attributable to owners of the Company	**31,715,234**	33,392,311
Non-controlling interests	**2,350,945**	2,386,524
Total equity	**34,066,179**	35,778,835

NOTES TO THE FINANCIAL STATEMENTS

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS"), which collective term includes all applicable individual HKFRS, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and certain financial assets which have been measured at fair value.

These consolidated financial statements comply with the applicable requirements of Hong Kong Companies Ordinance (Cap. 622), with the exception of Section 381 which requires a company to include all the subsidiary undertakings (within the meanings of Schedule 1 to Cap. 622) in the Company's annual consolidated financial statements. Section 381 is inconsistent with the requirements of HKFRS 10 "Consolidated Financial Statements" so far as Section 381 applies to subsidiary undertakings which are not controlled by the Group in accordance with HKFRS 10. For this reason, under the provision of Section 380(6), the Company has departed from Section 381 and has not treated such companies as subsidiaries but they are accounted for in accordance with the accounting policies in the notes to the 2023 annual consolidated financial statements. The subsidiaries excluded subsidiary undertakings of the Group are disclosed in the 2023 annual consolidated financial statements.

The financial information relating to the years ended 31 December 2023 and 31 December 2022 included in this preliminary announcement of annual results for the year ended 31 December 2023 does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those consolidated financial statements. Further information relating to these statutory consolidated 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 consolidated financial statements for the year ended 31 December 2022 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 those consolidated financial statements of the Group for both years. 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 consolidated 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the 2023 annual consolidated financial statement.

2 IMPACT OF AMENDED STANDARDS

(a) Amendments to standards adopted by the Group

The following amendments to standards are relevant to the Group's operations and first effective for the Group's financial year beginning on 1 January 2023:

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Disclosure of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two Model Rules

Amendments to HKAS 12 — Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments require deferred tax to be recognised on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They typically apply to transactions such as leases of lessees and decommissioning obligations and require the recognition of additional deferred tax assets and liabilities. On adoption of the amendment, the deferred tax assets and liabilities had been restated in the notes to the financial statements with no impact on the consolidated income statement, consolidated balance sheet and consolidated statement of changes in equity.

Except for the Amendments to HKAS 12 — Deferred Tax related to Assets and Liabilities arising from a Single Transaction, the adoption of the above amendments to standards did not have any significant impact to the Group's results for the year ended 31 December 2023 and the Group's financial position as at 31 December 2023.

(b) Amendments to standards and interpretation not yet adopted

The HKICPA has issued 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 2023 and have not been early adopted:

Amendments to HKAS 1[1]	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1[1]	Non-current Liabilities with Covenants
Amendments to HKFRS 16[1]	Lease Liability in a Sale and Leaseback
HK Interpretation 5 (Revised)[1]	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[1]	Suppliers Finance Arrangements
Amendments to HKAS 21[2]	Lack of Exchangeability
Amendments to HKFRS 10 and HKAS 28[3]	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

(1) Effective for annual periods beginning 1 January 2024

(2) Effective for annual periods beginning 1 January 2025

(3) Effective date to be determined

The Group has already commenced an assessment of the impact of these amendments to standards and interpretation. These amendments to standards and interpretation would not be expected to have a material impact to the results of the Group.

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, transportation, hospitality 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
Transportation	—	passenger transportation services
Hospitality	—	hotel and club operations and hotel management
Investment	—	investment holdings 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 corporate net 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 2022.

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.

The accounting policies of the reportable segments are the same as the Group's principal accounting policies as described in the notes to the consolidated financial statements.

2023

	Property HK$'000	Transportation HK$'000	Hospitality HK$'000	Investment HK$'000	Eliminations HK$'000	Consolidated HK$'000
Revenue and other income						
External revenue *(note d)*						
Revenues from contracts with customers						
— Recognised at a point in time	577,438	—	139,821	30,390	—	747,649
— Recognised over time	2,404,262	—	362,485	—	—	2,766,747
	2,981,700	—	502,306	30,390	—	3,514,396
Revenues from other sources						
— Rental income	457,255	—	—	330	—	457,585
— Dividend income	—	—	—	96,157	—	96,157
	457,255	—	—	96,487	—	553,742
	3,438,955	—	502,306	126,877	—	4,068,138
Inter-segment revenue	661	—	1,199	3,748	(5,608)	—
Other income (external income and excluding interest income)	15,220	—	82,614[(i)]	6,752	—	104,586
	3,454,836	—	586,119	137,377	(5,608)	4,172,724
Segment results	882,132	—	(73,586)	(231,395)[(ii)]	—	577,151
Fair value changes on investment properties	(248,804)	—	—	—	—	(248,804)
Interest income						233,733
Unallocated expense						(163,184)
Operating profit						398,896
Finance costs						(683,821)
Share of results of joint ventures	(237,707)	—	(38,756)	—	—	(276,463)
Share of results of associates	33,166	9,935	(14,187)	(41,256)	—	(12,342)
Loss before taxation						(573,730)
Taxation						(59,776)
Loss for the year						(633,506)

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$302,613,000 (note 4).

2023

	Property *HK$'000*	Transportation *HK$'000*	Hospitality *HK$'000*	Investment *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Assets						
Segment assets	26,079,948	225,190	4,731,829	1,549,076	—	32,586,043
Joint ventures	10,495,337	—	(148,502)	—	—	10,346,835
Associates	4,559,082	397,937	115,048	667,298	—	5,739,365
Unallocated assets						3,149,456
Total assets						51,821,699
Liabilities						
Segment liabilities	779,789	20	248,833	20,176	—	1,048,818
Unallocated liabilities						16,706,702
Total liabilities						17,755,520
Other information						
Additions to non-current assets (other than financial instruments and deferred tax assets)	318,164	—	295,366	15,863	—	629,393
Depreciation						
— property, plant and equipment	3,571	—	75,505	2,934	—	82,010
— right-of-use assets	8,998	—	28,564	5,367	—	42,929
Amortisation						
— intangible assets	—	—	413	63	—	476
Impairment losses provided/ (reversed)						
— trade receivables, net	97	—	(208)	—	—	(111)

2022

	Property HK$'000	Transportation HK$'000	Hospitality HK$'000	Investment HK$'000	Eliminations HK$'000	Consolidated HK$'000
Revenue and other income						
External revenue *(note d)*						
Revenues from contracts with customers						
— Recognised at a point in time	850,967	—	77,380	30,167	—	958,514
— Recognised over time	1,771,316	—	251,524	—	—	2,022,840
	2,622,283	—	328,904	30,167	—	2,981,354
Revenues from other sources						
— Rental income	425,062	—	—	335	—	425,397
— Dividend income	—	—	—	83,974	—	83,974
	425,062	—	—	84,309	—	509,371
	3,047,345	—	328,904	114,476	—	3,490,725
Inter-segment revenue	1,067	—	1,475	435	(2,977)	—
Other income (external income and excluding interest income)	27,689	—	21,025	12,520	—	61,234
	3,076,101	—	351,404	127,431	(2,977)	3,551,959
Segment results	1,119,736	—	(155,635)	(188,865)(iii)	—	775,236
Fair value changes on investment properties	(374,414)	—	—	—	—	(374,414)
Interest income						109,583
Unallocated income						5,426
Unallocated expense						(150,814)
Operating profit						365,017
Finance costs						(405,698)
Share of results of joint ventures	55,708(iv)	—	(44,675)	—	—	11,033
Share of results of associates	(77,176)	(241,088)	(7,652)	(45,558)	—	(371,474)
Loss before taxation						(401,122)
Taxation						(75,258)
Loss for the year						(476,380)

Notes:

(iii) Amount included fair value loss on financial assets at fair value through profit or loss of HK$242,372,000 (note 4).

(iv) Amount included share of gain arising from transfer of inventories to investment properties in a joint venture, net of tax, of HK$421,247,000 and offset by share of impairment provision on property, plant and equipment in a joint venture, net of tax, of HK$217,380,000.

2022

	Property HK$'000	Transportation HK$'000	Hospitality HK$'000	Investment HK$'000	Eliminations HK$'000	Consolidated HK$'000
Assets						
Segment assets	26,824,288	225,199	4,618,113	2,580,644	—	34,248,244
Joint ventures	12,414,699	—	(434,380)	—	—	11,980,319
Associates	4,413,013	386,260	129,115	722,270	—	5,650,658
Unallocated assets						3,142,728
Total assets						55,021,949
Liabilities						
Segment liabilities	1,819,161	20	263,684	10,436	—	2,093,301
Unallocated liabilities						17,149,813
Total liabilities						19,243,114
Other information						
Additions to non-current assets (other than financial instruments and deferred tax assets)	54,208	50,000	429,152	3,996	—	537,356
Depreciation						
— property, plant and equipment	4,023	—	79,865	5,317	—	89,205
— right-of-use assets	9,090	—	30,106	6,823	—	46,019
Amortisation						
— intangible assets	—	—	160	62	—	222
Impairment losses (reversed)/ provided						
— trade receivables, net	(44)	—	367	—	—	323

(c) Geographical information

	Hong Kong *HK$'000*	Macau *HK$'000*	PRC *HK$'000*	Singapore *HK$'000*	Others *HK$'000*	Consolidated *HK$'000*
2023						
Revenue and other income from external customers	**589,209**	**759,458**	**212,630**	**2,602,467**	**8,960**	**4,172,724**
Non-current assets*	**5,529,178**	**947,190**	**5,762,457**	**2,249,858**	**—**	**14,488,683**
2022						
Revenue and other income from external customers	435,616	1,050,130	205,186	1,837,185	23,842	3,551,959
Non-current assets*	5,577,084	939,586	5,975,285	2,019,409	—	14,511,364

* *Amount excluded joint ventures, associates, financial instruments, deferred tax assets and other non-current assets.*

(d) External revenue

External revenue comprises revenue by each reportable segment and dividend income from financial assets at fair value through other comprehensive income.

4 OTHER LOSSES, NET

	2023 *HK$'000*	2022 *HK$'000*
Net gain/(loss) on deregistration of subsidiaries	**1,233**	(8)
Net loss on disposal of property, plant and equipment	**(88)**	(11)
Fair value loss on financial assets at fair value through profit or loss	**(302,613)**	(242,372)
	(301,468)	(242,391)

5 OPERATING PROFIT

	2023	2022
	HK$'000	*HK$'000*
After crediting:		
Rental income from investment properties	**224,918**	227,717
Less: Direct operating expenses arising from investment properties	**(36,667)**	(34,542)
	188,251	193,175
Dividend income from listed investments	**10,683**	11,855
Dividend income from unlisted investments	**85,474**	72,119
Wage, salary and other subsidies from government under COVID-19	**—**	27,637
After charging:		
Cost of inventories sold		
— properties	**2,061,110**	1,474,882
— others	**44,829**	32,539
	2,105,939	1,507,421
Impairment losses (reversed)/recognised		
— trade receivables, net	**(111)**	323

6 FINANCE COSTS

	2023	2022
	HK$'000	*HK$'000*
Interest on bank borrowings and overdrafts	**693,952**	410,873
Interest on lease liabilities	**4,006**	2,487
Other finance costs	**24,809**	35,717
Total finance costs	**722,767**	449,077
Less: Amount capitalised in hotel building under construction	**(38,946)**	(43,379)
	683,821	405,698

During the year, finance costs have been capitalised at weighted average rate of its general borrowings of 3.67% (2022: 2.29%) per annum for hotel building under construction.

7 TAXATION

	2023	2022
	HK$'000	*HK$'000*
Current taxation		
Hong Kong profits tax	**6,520**	5,402
Non-Hong Kong taxation	**65,565**	71,206
Deferred taxation	**(12,309)**	(1,350)
Total tax expenses	**59,776**	75,258

Hong Kong profits tax is calculated at 16.5% (2022: 16.5%) on the estimated assessable profits for the year. 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% (2022: 12%, 25% and 17%) respectively.

8 DIVIDENDS

The Board does not recommend the payment of any final dividend (2022: nil) in respect of the year ended 31 December 2023. No interim dividend was declared by the Board during the year ended 31 December 2023 (2022: nil).

9 LOSS PER SHARE

The calculation of basic loss per share is based on loss attributable to owners of the Company of HK$676,726,000 (2022: HK$558,222,000) and the weighted average number of 3,020,171,281 shares (2022: 3,020,379,785 shares) in issue during the year.

Basic and diluted loss per share were the same as the Company had no potentially dilutive ordinary shares in issue for the year ended 31 December 2023 (2022: 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 debtors by invoice date is as follows:

	2023	2022
	HK$'000	*HK$'000*
0 — 30 days	**53,592**	143,128
31 — 60 days	**24,996**	16,436
61 — 90 days	**14,470**	6,838
Over 90 days	**4,945**	25,335
	98,003	191,737

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

	2023	2022
	HK$'000	*HK$'000*
0 — 30 days	**256,280**	265,804
31 — 60 days	**3,869**	5,263
61 — 90 days	**42**	40
Over 90 days	**1,694**	2,131
	261,885	273,238

BUSINESS REVIEW

PROPERTY

In 2023, economic recovery in the region encountered a mix of headwinds, including interest rate hikes, the introduction of property cooling measures in Singapore, instability in China's property market, and intensifying geopolitical tensions in the world. Despite dampened buyer sentiment, most units of Park Nova and all units of Les Maisons Nassim were successfully contracted for sale, and have been partially recognized during the year, bearing testament to the exceptional quality of the Group's deluxe properties in Singapore. During the year, the property division recorded a profit of HK$882 million (2022: HK$1,120 million) mainly due to reduced profit recognition from the Nova City project.

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. During 2023, one residential unit was sold. The development has proven to be a success as 98% of its 620 residential units have been sold as of 31 December 2023.

Nova Grand (Group interest: 71%)

Nova Grand, the final phase of Nova City, features eight towers containing more than 1,700 residential units. During 2023, 29 units were transacted and 26 units were recognized. As of 31 December 2023, 88% of the units were sold, a testimony to the project's popularity with 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 82,000 square meters of aboveground gross floor areas for sales, as well as more than 158,000 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 96% occupancy as of 31 December 2023. Several multinational tenants have also moved into Suhe Centre, improving the leasing rate to 44% 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 2023, leasing activities in the Zone showed some signs of recovery as Hengqin rolled out preferential policies for Macau-funded enterprises and rental subsidies for the finance industry. The mall is expected to open in the second half of 2024, while pre-leasing is progressing as planned with a focus on leisure-themed tenants.

During the year, two residential units were transacted. As of 31 December 2023, a total of 422 residential units were sold and handed over to homebuyers. The remaining four show flats are expected to be sold within 2024.

The project also includes a 230-room Artyzen Habitat Hotel slated to commence operation in the second quarter of 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. The recovery of the overall business environment in Singapore remained resilient, as of 31 December 2023, the development achieved an overall committed occupancy rate at 95% 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 to complete in 2025, while presales of its apartments are expected to begin in 2024 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 offer retail and hospitality services with a hotel over a commercial area spanning 330,000 square meters. The development's fitting-out works are in progress, while operations are expected to begin in phases in 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, elder care, MICE and retail spaces across a gross floor area of approximately 550,000 square meters. Electrical, mechanical and facade works are in progress, and operations are scheduled to begin in phases by the end of 2024.

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. During 2023, the remaining ten units were contracted for sale. Construction of the 43,356-square-foot development is expected to complete in 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.

Despite property cooling measures introduced by Singapore, the project successfully sold the remaining five units in 2023, and fitting-out works are in progress. As Temporary Occupation Permit was granted in November 2023, the units will be handed over to homebuyers in batches in 2024.

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. In 2023, the leasing team reshuffled the tenant mix by upgrading shop subdivisions and re-configurating the layout, to diversify the property's retail portfolio and maximize its income potential. Pop-up store and kiosk areas were also designated for multiple brands to enrich the mall's retail business variety. As of 31 December 2023, 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. In addition to food and beverage areas and a large supermarket as its anchor tenant, the mall introduced a sizable kids entertainment center that successfully attracted patronage of parents and kids. More educational institutions were also recruited to cater to families' needs. As of 31 December 2023, The Westwood recorded an 87% 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. In 2023, educational tenants chose the mall as their development base, expanded their premises, and a variety of other businesses were also recruited to enhance trade diversity. As of 31 December 2023, 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.

Following the resumption of ferry services in 2023 and the subsequent increase in tourist traffic, tenants have registered improvement in business performance, especially those in the food and beverage sector. During the year, the leasing team collaborated with more restaurant chains to expand the mall's F&B component. As of 31 December 2023, the property recorded an 83% occupancy rate. Meanwhile, the mall has been undergoing a facelift to enhance the customer experience. Renovation of the third and fourth floors was completed during the year, while the remaining renovation works are expected to be completed in 2024.

For Shop 402 owned by the Group, a fencing academy and an exhibition hall remain the anchor tenants. The group is currently studying the possibility of dedicating the space previously occupied by an indoor golf club to food and beverage outlets to increase footfall on the upper floors.

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 2023, the increased competition from casino-related malls in Macau, coupled with customers' renewed interest in visiting nearby malls in Zhuhai and Shenzhen, hampered business recovery of tenants. Despite the challenging market environment, the leasing team successfully retained all anchor tenants and was devoted to diversifying the trade mix, contributing to an occupancy rate of 84%.

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 leasable shop area, it is home to a glittering array of world-class luxury brands. From December 2023, the second floor of the mall has been undergoing renovation, which is set to be completed by February 2025. The renovated floor will make room for diverse food and beverage options and quality lifestyle brands. During the year, contributions from One Central increased by 62% in the year, driven by strong leasing and positive rental reversions amid the surge in tourist arrivals. As of 31 December 2023, the occupancy rate rose to 95%, compared to 84% at the end of the prior year.

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 31 December 2023.

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. With the lifting of pandemic-related measures and the gradual resumption of business traffic, the property experienced recovery in the hotel segment. Office occupancy stood at 65% as of 31 December 2023.

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 78% as of 31 December 2023.

Property Services

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

HOSPITALITY

In 2023, the tourism and hospitality sectors of Hong Kong, Macau and Mainland China started to regain momentum after border reopening. To capitalize on the growth opportunities in Asia's post-pandemic era, the Group has opened two flagship hotels, Artyzen Singapore and Artyzen NEW BUND 31, to enhance its footprint in the global hospitality industry. Among the hotels owned or managed by the Group, the rebound of cross-border travelers has in general improved the occupancy rates, while business performance is still dependent on the pace of economic recovery and the changing market environment. In 2023, coupled with pre-opening expenses, the hospitality division posted a loss of HK$74 million (2022: loss of HK$156 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 in close proximity to 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 corporate market.

Following the lifting of the closed-loop arrangements for air crews at the end of 2022, the hotel resumed its normal business activities. With an increasing number of tourists and the comeback of AWE events in 2023, the hotel has refocused on the MICE and group segments, targeting exhibitions and airlines to establish a base demand for its businesses. But challenges remained as the demand from event participants was still below pre-pandemic levels, while the growing room supply in the airport and Tung Chung areas has exerted downward pressure on room rates. In 2023, the average occupancy rate has increased to 62%.

Mandarin Oriental, Macau (Group interest: 51%)

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

The Macau SAR Government lifted all COVID-19 travel restrictions for travelers from Hong Kong and Mainland China in early January 2023, followed by the gradual resumption of international flights and ferry services between Macau, Hong Kong and the GBA, as well as bus services across the Hong Kong-Zhuhai-Macao Bridge. As tourists returned, the hotel recorded a steady improvement in its revenues from room bookings, MICE, Spa and F&B segments in 2023. During the year, revenues have recovered to the 2019 level with an average occupancy rate of 58%.

Recognized for the 13th year with a Triple Five Star rating for Hotel, Restaurant and Spa by the 2023 Forbes Travel Guide, Mandarin Oriental was ranked first in Macau for the first time by “Travel + Leisure Luxury Awards Asia Pacific 2023”, and awarded the Best Hotel Spa in Macau by Haute Grandeur Global Spa Awards 2023.

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, Shanghai and Singapore. Since its establishment, AHG has created a range of premium proprietary brands tailored to meet the rising aspirations of the fast-changing Asian and millennial markets. Dedicated to fusing local art with heritage and traditions, it seeks to craft a unique, contemporary and luxury experience for discerning travelers in search of authenticity. AHG is recognized as the Most Anticipated Lifestyle Brand 2023 by GOGOShanghai, and named the New Lifestyle Brand of the Year Award by The Bund D.E.S.I.G.N Hotels Award.

In 2024, AHG plans to launch two new hotels in Mainland China, namely Artyzen Habitat Hengqin Zhuhai and Artyzen Habitat Yuelai Chongqing. Meanwhile, AHG is 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. Looking ahead, AHG will continue to source new projects throughout the GBA and at other promising locations, while reinforcing its brand presence on social media to reach a wider audience.

Hotels owned by the Group and managed by Artyzen Hospitality Group

Artyzen Singapore (Group interest: 100%)

Located at the vibrant 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 first UNESCO Heritage Site in Singapore.

Making its debut in December 2023, the flagship hotel marks Artyzen Hotel & Resorts' first property outside of China, deepening the Group's market penetration 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. During the year, it garnered more accolades, including the Best Hotel Architecture Singapore at the Asia Pacific Property Awards 2023 and the Project of the Year by the Interior Design Confederation Singapore.

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, Grand Coloane Resort offers guests a tranquil resort experience with 208 guest rooms and suites, all of which boast a private balcony. In 2023, the average occupancy rate stood at 52%. During the year, it has received Traveler's Choice Award 2023 by TripAdvisor, Travel Awards 2023 by KAYAK, and 'Prata Silver – Macao Green Hotel Award'.

Artyzen NEW BUND 31 (Group interest: 50%)

Artyzen NEW BUND 31 is located along the Huangpu River in Shanghai's emerging business and cultural hub, Qiantan. Being part of the Group's iconic integrated property, NEW BUND 31, the 202-room hotel is adjacent to the Bank of Communications NEW BUND 31 Performing Arts Center, the largest indoor theater in Shanghai. Launched in October 2023, the lifestyle hotel will embody Artyzen Hotels and Resorts' philosophy of commitment and dedication to art, culture and authenticity.

Artyzen Habitat Hongqiao Shanghai (Group interest: 100%)

Enjoying close proximity to Shanghai's National Exhibition and Convention Center, Artyzen Habitat Hongqiao Shanghai has been 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 an authentic experience. In 2023, the hotel's average occupancy rose to 61%, primarily attributable to a strong rebound in the exhibition industry.

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 started to receive more international travelers from other Asian regions. The average occupancy rate increased to 40% in 2023.

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. As the tourism industry has been recovering significantly, the hotel's average occupancy improved to 78% in 2023.

Artyzen Habitat Suzhou (Group interest: 10%)

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

Blending with the essence of Suzhou's history and classical city landscapes in its design, the 160-room hotel has been honored with the Most Popularity Award by the Gusu District People's Government of Suzhou City, and received the 2023 Preferred New Hotel Opening Awards from the industry. It was opened in March 2023.

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 offer innovative culinary dishes serving Portuguese, Macanese, Chinese, and Thai cuisines, as well as eclectic bar offerings and stylish function facilities. The hotel's resort features a large variety of leisure facilities including pools, fitness, tennis and spa surrounded by lush gardens. During the year, the hotel has received multiple accolades, including The Best City Resort Hotel, 'Prata Silver – Macao Green Hotel Award', as well as one of the Top Ten Charming City Hotels by the 18th International Hotel Platinum Award.

Artyzen, Artyzen Habitat and Eature Residences Lingang

Encapsulating a premium modern lifestyle, the 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, while Shanghai Disneyland is just a 40-minute drive away.

Fusing tradition with modern elegance in its design, Artyzen Lingang offers 305 well-appointed guestrooms, some of which overlook the magnificent Dishui Lake. During the year, it has won the Best Hotel Art and Culture Award at GBE Hotel Design Awards 2023 and The Luxury Hotel Award of the Year 2022 – 2023 by City Travel.

Artyzen Habitat Lingang offers 364 contemporary rooms with modern facilities providing an inviting experience for both social and business travelers. It is the winner of The Vacation Destination Hotel Award of the Year 2022 – 2023 by City Travel. These two Artyzen hotels in Lingang were opened in March 2023.

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 River front.

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 exchange.

The Shàng by Artyzen is a boutique lifestyle hotel comprising 210 cozy rooms that take in the charm of Shanghai's alleys in the design. During the year, it has been awarded '2023 Best New Opening Hotel – KOL Gold List', and the '2023 Best Boutique Hotel' at The Bund Design Hotel Awards.

Artyzen Habitat Taopu Shanghai

Located in the Shanghai 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 its 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. Since its opening in May 2023, it has been awarded the 2023 Most Anticipated New Opening Hotel – GOGOShanghai.

Hotels under planning and development

Artyzen Habitat Hengqin Zhuhai (Group interest: 100%)

Strategically located next to the port facility connecting to Macau and Zhuhai, Artyzen Habitat Hengqin Zhuhai is minutes away from Macau's Cotai area and only 15 minutes away from the popular Hengqin Chimelong Ocean Kingdom. The 230-room property is scheduled to open in the second quarter of 2024.

Artyzen Habitat Yuelai Chongqing

Situated at the core of Liangjiang New Area in Yubei District, Artyzen Habitat Yuelai Chongqing is adjacent to Yuelai International Convention and Exhibition City – a landmark project for Chongqing's development into a globally renowned inland convention and exhibition city. Touted as a "lifestyle sanctuary" catering to the upscale market, the 377-room hotel houses the brand's hallmark social space Townsquare that is designed to become the center of work, leisure, dining and pop-up retail activities. The hotel is expected to open in the first half of 2024.

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. In 2023, Macau Tower has registered an increase in tourist numbers, primarily from Hong Kong and Mainland China, posting improved sales performance from observation deck, food and beverages, and MICE segments. However, challenges such as rental income decline continued to undermine the overall business results. Macau Tower is thus devoting more efforts to e-commerce, collaboration with online travel agents, and partnered events for business growth.

Membership Club

Artyzen Club, a subsidiary of the Group, is a contemporary networking and dining venue in Central for business executives and professionals. This private club provides 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 that have been popular among its 512 members. Members can also enjoy traveling benefits and special booking arrangements from the Group's hotels and TurboJET, as well as reciprocal clubs' services in Australia, the Philippines, Singapore, United Kingdom and the Middle East.

Embracing an economic recovery in the post-pandemic era, the Club has been proactively promoting its exclusive membership schemes in the bustling business and office areas. Joint promotion with credit card companies has also achieved an increase in the Club's market presence and membership.

TRANSPORTATION

In 2023, border reopening of Hong Kong, Macau and Mainland China gradually revived cross-border travel, leading to a resurgence of cross-border travelers. Riding the wave of tourism recovery in these regions, the transportation division has been actively gearing up the operating capacity of its cross-border ferry and coach services. It also opened up more revenue streams by collaborating with joint venture partners to launch new services, in a continued effort to enhance the connectivity among cities of the Guangdong-Hong Kong-Macao GBA. As a result, the overall business performance of the division took a favorable turn in 2023, posting a shared profit of HK$10 million (2022: share of loss HK$241 million).

Shun Tak – China Travel Shipping Investments Limited

Shun Tak – China Travel Shipping Investments Limited ("STCTSI") became a 50/50 company co-owned by the Company and China Travel International Investment Hong Kong Limited ("CTII") through a shareholding restructuring exercise in July 2020. The aim was to further strengthen and expand its multi-modal transportation platform to seize business opportunities in the GBA by consolidating both sea and land transportation resources, as well as network advantages under STCTSI.

Seizing opportunities from GBA developments and leveraging the more complete cross-border infrastructural system catapulted by the Hong Kong-Zhuhai-Macau ("HZM") Bridge, the company has strategically established a comprehensive air-sea-land multi-modal transportation network in the region, further sharpening its competitive edges by offering more seamless and efficient travel options that cater to the needs of the passenger market. This exemplifies the company's commitment to regional integration by aligning transportation resources among GBA cities, and facilitating the planning of multi-destination itineraries for travelers across various market segments.

Sea Passenger Services

In 2023, TurboJET, the key operating arm of the Group's transportation division, supported the Macao Government Tourism Office's travel promotional campaign "Macao Treat", offering complimentary return tickets to eligible overnight visitors from Hong Kong, Taiwan and overseas during the campaign period. With the number of cross-border travelers on the rise, the company has restored its sailing capacity between Hong Kong and Macau to approximately half of pre-pandemic levels by year end. In December 2023, the ferry service between Hong Kong China Ferry Terminal and Macau Taipa Ferry Terminal resumed operation.

Other cross-border ferry services under the company's management, Macau-Shekou and Macau-Shenzhen routes, have also resumed operation, while the company has extended management of ferry services from Hong Kong-Macau Ferry Terminal and China Ferry Terminal to Zhuhai operated by Zhuhai's high-speed ferry operators.

Land Passenger Services

With the opening of the new SkyPier Terminal at Hong Kong International Airport ("HKIA"), the intermodal bridge-to-air and air-to-bridge transit services between HKIA and Macau, as well as between HKIA and Zhuhai via the HZM Bridge, were launched by the company's joint ventures in August 2023 and December 2023 respectively. With its extensive experience in intermodal transit operation, the company's joint venture at SkyPier also participated in the provision of cross boundary bonded bus passenger and baggage handling services at HKIA from August 2023.

The company's other cross-border land transportation businesses, including "TurboJET Cross Border Limo", "HK-MO Express", "Macau HK Airport Direct" and "Golden Bus", have all gradually resumed their operations. As of 31 December 2023, CTG BUS reinstated 80% of its cross-border bus service capacity between Hong Kong and Guangdong.

Beyond the carriage services, enhancing the holistic travel experience has always been an integral part of the company's commitment. In November 2023, TurboJET introduced the complimentary Super Plus shuttle services connecting Super Class passengers from Outer Harbour Ferry Terminal to city hotspots in Macau and Taipa. In the same month, CTG BUS collaborated with Shenzhen Airport Group to inaugurate the Shenzhen Airport Hong Kong Wanchai City Terminal, providing cross-border travelers with added convenience by offering in-town check-in service for flights departing from the Shenzhen International Airport.

As one of the division's new business endeavors, Turbojet Shipyard Limited, a wholly-owned subsidiary operating two shipyards, continued to provide vessel repair and maintenance services to local ferry operators. It has also become one of the authorized contractors to provide vessel maintenance for the HKSAR Government.

Looking ahead, the division will reinforce initiatives to translate the "Tourism +" concept into its business strategies including fostering multilateral collaboration with partners and operators to bring synergy to the advancement of the travel and transportation industry in the GBA.

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 31 December 2023. 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 31 December 2023, 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 2023, a dividend of HK$86 million was received (2022: HK$72 million) from STDM, representing a 19% increase year on year.

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 2023, the terminal started resuming normal business activities with the gradual return of cruises to Hong Kong. It has also received new ISO certificates and industry awards in recognition of its outstanding ESG (environment, social and governance) performance.

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 2023, Toys'R'Us opened a new Macau outlet at Studio City, a family entertainment hub, to draw more family travelers into its customer base. Its other outlets are located at Macau Tower and Nova Mall, the latter of which accommodates a 22,000-square-foot flagship store featuring an amusement center FunPark, offering an immersive retail-entertainment experience for customers. Meanwhile, Stecco Natura Gelaterie opened a new store at Grand Lisboa Palace, following the launch of its first gelato café in Macau at Nova Mall. It has also ventured into the Shanghai market with the first local store at NEW BUND 31, the Group's latest flagship property in Mainland China.

During the year, the company's overall sales performance improved marginally, a mixed result of more inbound travelers counterbalanced by weaker local consumption due to increasing outbound travels and dampened consumer spending. With the latest business expansion, the company will strive to capture the reviving Mainland tourist segment in addition to serving local families.

RECENT DEVELOPMENTS AND PROSPECTS

The Group concluded 2023 with satisfactory property sales of Park Nova and Les Maisons Nassim in Singapore. Its other businesses across Hong Kong, Macau and Mainland China also gradually returned back on track following border reopening of the region. Adhering to the development strategy of "Tourism +", the Group will continue to introduce new elements such as art, culture and exhibitions to its upcoming properties, forging greater synergy across different industries to facilitate healthier growth in its property and hospitality businesses. In February 2024, Sanya Investment Promotion Bureau and Shun Tak Holdings Limited signed a Memorandum of Understanding, paving the way for the Group to further its "Tourism +" strategy across potential areas such as hospitality and transportation with Sanya, one of the most popular tourism destinations in Hainan province.

In 2024, the property division will continue to make progress with properties serving the capital and its surrounding cities in China. The Tongzhou Integrated Development, sitting at the heart of Beijing, expects to begin presales of its apartments, once the presale consent is granted by the government. Adjacent to Beijing, the Tianjin South HSR Integrated Development expects to commence operation in phases during the year. Supporting the vision of Healthy China 2030, this project aspires to meet the growing demand for quality medical care in the broader "Jing-Jin-Ji" megalopolis.

In Singapore, as most units of Park Nova and all units of Les Maisons Nassim were successfully contracted for sale, the former is expected to complete its construction work in 2024, while the latter's handover progress has begun in batches as of announcement date.

Reinvigorated by border reopening, China's tourism industry has seen an upward trajectory, with domestic travel swiftly coming to life over the past months. Capturing the growth momentum in the post-pandemic era, the hospitality division expanded progressively in 2023, debuting two flagship hotels – Artyzen NEW BUND 31, which neighbors the largest professional indoor theater in Shanghai, and Artyzen Singapore, which emerges as a top-of-the-line property in the Group's hotel portfolio. Moving on to the first half of 2024, Artyzen Habitat Hengqin Zhuhai is expected to commence operation in support of the Guangdong-Hong Kong-Macao Greater Bay Area ("GBA") development, while Artyzen Habitat Yuelai Chongqing will be launched to facilitate the dual development of the tourism and exhibition sectors of Chongqing's Yubei District, as the municipality aspires to transform into an inland convention and exhibition city with a global reputation.

Meanwhile, the transportation division will continue to advance hand in hand with CTII, with a shared goal of facilitating multimodal integration across the GBA with enhanced connectivity. At the end of 2023, the division, with its joint venture partners, started providing cross-border land transportation services linking HKIA SkyPier Terminal and HZM Bridge Macau/Zhuhai Port. From January 2024 onwards, it started to support ticket sales of helicopter services between Macau and Hong Kong/Shenzhen in collaboration with Sky Shuttle, further broadening its air-sea-land transportation network in the GBA.

In the year ahead, the Group expects that persisting challenges, such as interest rate hikes, fluctuations in China's property market, and geopolitical tensions, will keep on casting a shadow over economic recovery. Prudent and resilient as it has been throughout the pandemic, the Group will look to seize emerging opportunities to enhance its portfolio, while continuously uncovering development potential in various markets to connect to the global markets over the long term.

GROUP FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

The Group's bank balances and deposits amounted to HK$6,634 million as at 31 December 2023, representing an increase of HK$96 million as compared with the position as at 31 December 2022. 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 31 December 2023 amounted to HK$19,615 million, of which HK$4,018 million remained undrawn. The principal amount of Group's bank borrowings outstanding at the year end amounted to HK$15,597 million.

Based on a net borrowings of approximately HK$8,907 million at the year end, the Group's gearing ratio (expressed as a ratio of net borrowings to equity attributable to owners of the Company) was 28.1% (2022: 28.3%). 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
26%	35%	38%	1%	100%

Material Acquisitions, Disposals and Commitments

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

As at 31 December 2023, the Group has outstanding commitments of approximately HK$17 million for development of hotel properties in Singapore and Hengqin.

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 31 December 2023, the Group has an outstanding commitment to contribute capital of approximately US$81 million (equivalent to approximately HK$629 million) to HC Co.

Charges on Assets

At the year end, bank loans with principal amount of approximately HK$6,067 million (2022: HK$6,859 million) were secured with charges on certain assets of the Group amounting to an aggregate carrying value of HK$12,831 million (2022: HK$14,371 million). Out of the above secured bank loans, an aggregate principal amount of HK$548 million (2022: HK$664 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 31 December 2023, the bank loan balance proportionate to the Company's shareholding amounted to HK$164 million (2022: HK$175 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 RMB258 million and SGD885 million, the Group's outstanding borrowings at year-end were not denominated in foreign currencies. Approximately 59% 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 denominated in USD, MOP, SGD and RMB. The Group will from time-to-time regularly 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 year 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.

CLOSURE OF REGISTER OF MEMBERS

For the purposes of determining shareholders' eligibility to attend and vote at the 2024 annual general meeting of the Company, the register of members of the Company will be closed. Details of such closure are set out below:

Latest time to lodge transfer documents for registration	4:30 p.m. on Wednesday, 29 May 2024
Closure of register of members	Thursday, 30 May 2024 to Wednesday, 5 June 2024 (both days inclusive)
Record date	Wednesday, 5 June 2024

During the above closure period, no transfer of shares will be registered. To be eligible to attend and vote at the 2024 annual general meeting of the Company, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than the aforementioned latest time.

ANNUAL GENERAL MEETING

The annual general meeting of the Company is currently scheduled to be held on Wednesday, 5 June 2024 subject to any contingency measures which may be announced as appropriate. The notice of annual general meeting will be published on the websites of the Company and The Stock Exchange of Hong Kong Limited and despatched to the shareholders of the Company in due course.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2023, the Company bought back a total of 2,718,000 shares of the Company at an aggregate consideration of HK$2,772,360 (before expenses) on The Stock Exchange of Hong Kong Limited. All the shares bought back were subsequently cancelled. Particulars of the buy-back are as follows:

Month of buy-back	**Number of shares bought back**	**Highest price paid per share**	**Lowest price paid per share**	**Aggregate consideration paid (before expenses)**
		HK$	*HK$*	*HK$*
November 2023	2,718,000	1.02	1.02	2,772,360

The Board considered that the above share buy-back was made for the benefit of the Company and its shareholders as a whole with a view to enhancing the net asset value and earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2023.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance and fostering sustainable business growth and development. The Board periodically reviews the Company's practices to ensure compliance with the increasingly stringent requirements and to meet rising expectations of the shareholders of the Company. 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 year ended 31 December 2023, 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 Group's consolidated financial statements for the year ended 31 December 2023 have been reviewed by the audit and risk management committee of the Company. The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2023, as set out in the preliminary announcement, have been agreed by the Company's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this preliminary announcement.

By order of the Board
SHUN TAK HOLDINGS LIMITED
Pansy Ho
Group Executive Chairman and Managing Director

Hong Kong, 26 March 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.