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If you have sold or transferred all your shares in Shun Tak Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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SHUN TAK HOLDINGS LIMITED

信德集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 242)

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

MAJOR TRANSACTIONS

**ACQUISITION OF LAND USE RIGHTS
IN SHANGHAI QIANTAN, THE PRC**

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Acquisition”	the acquisition of land use rights of the Land through bidding process at the Auction
“Auction”	the bidding process held by Pudong New Area Planning and Land Authority* at which the Land was offered for sale
“Board”	the board of Directors
“Company”	Shun Tak Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange (Stock Code: 242)
“Director(s)”	the director(s), including independent non-executive director(s), of the Company
“Group”	the Company together with its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“HTDL”	Honest Top Development Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“JV Agreement”	the joint venture agreement dated 4 November 2016 entered into by HTDL and the JV Partner for the purposes of establishing and regulating certain aspects of the affairs of the development of the Land
“JV Partner”	Shanghai New Bund International Business District Investment (Group) Company Limited (上海前灘國際商務區投資(集團)有限公司)
“Land”	Lot 31-01, Code Z000801, Qiantan District, the South Extension of Huangpu River, Pudong New Area, Shanghai* (上海浦東新區黃浦江南延伸段前灘地區Z000801編制單元31-01地塊)
“Land Price”	RMB1,949,630,000 (equivalent to approximately HK\$2,242 million), payable by HTDL and the JV Partner for the Acquisition pursuant to the Transaction Confirmation

DEFINITIONS

“Land Use Rights Grant Contract”	上海市國有建設用地使用權出讓合同, to be entered into between the Pudong New Area Planning and Land Authority* and the joint venture to be formed pursuant to the JV Agreement in relation to the Acquisition
“Latest Practicable Date”	18 November 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Pudong New Area Planning and Land Authority”	上海市浦東新區規劃和土地管理局, a government body in the PRC, is responsible for, among other things, managing the primary land market, the tendering, auction and listing-for-sale of rights to use state-owned land in Pudong, Shanghai
“RMB”	Renminbi, the lawful currency of PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shanghai Land Exchange Centre”	上海市土地交易事務中心, a public body in the PRC responsible for, among other things, the transaction of land use rights in Shanghai, and was appointed by the Pudong New Area Planning and Land Authority* to offer the Land for sale
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction Confirmation”	the transaction confirmation dated 1 November 2016 entered into between Shanghai Land Exchange Centre*, HTDL and the JV Partner confirming the successful bidding at the Auction
“Transactions”	collectively, the Acquisition and the entering into the JV Agreement
“%”	per cent

For illustrative purpose only, RMB is converted into HK\$ at an exchange rate of RMB1 = HK\$1.15 in this circular.

** For identification purpose only*

LETTER FROM THE BOARD



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>

Directors:

Dr. Stanley Ho (*Group Executive Chairman*)

Mr. Norman Ho**

Mr. Charles Ho**

Mr. Michael Ng**

Mr. Kevin Yip**

Mrs. Louise Mok*

Ms. Pansy Ho (*Managing Director*)

Ms. Daisy Ho (*Deputy Managing Director*)

Ms. Maisy Ho

Mr. David Shum

Mr. Rogier Verhoeven

Registered Office:

Penthouse 39th Floor

West Tower, Shun Tak Centre

200 Connaught Road Central

Hong Kong

* *Non-Executive Director*

** *Independent Non-Executive Director*

22 November 2016

To the Shareholders,

Dear Sir or Madam,

MAJOR TRANSACTIONS

**ACQUISITION OF LAND USE RIGHTS
IN SHANGHAI QIANTAN, THE PRC**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 1 November 2016 in relation to the Transactions. The purpose of this circular is to provide you with further details of the Transactions.

LETTER FROM THE BOARD

2. ACQUISITION OF LAND USE RIGHTS

On 1 November 2016, HTDL, a wholly-owned subsidiary of the Company and the JV Partner have together succeeded in the bid of the land use rights of the Land offered for sale by Pudong New Area Planning and Land Authority* at the Auction for RMB1,949,630,000 (equivalent to approximately HK\$2,242 million). The Transaction Confirmation has been entered into between Shanghai Land Exchange Centre*, HTDL and the JV Partner. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, as at the Latest Practicable Date, Pudong New Area Planning and Land Authority*, Shanghai Land Exchange Centre* and the JV Partner are third party independent of the Company and the connected persons (as defined under the Listing Rules) of the Company.

PRINCIPAL TERMS OF THE LAND USE RIGHTS IN RELATION TO THE LAND

Parties of the Transaction Confirmation	:	Shanghai Land Exchange Centre*, HTDL and the JV Partner
The Land	:	Lot 31-01, Code Z000801, Qiantan District, the South Extension of Huangpu River, Pudong New Area, Shanghai* (上海浦東新區黃浦江南延伸段前灘地區Z000801編制單元31-01地塊)
Location of the Land	:	San Lin Zhen of Pudong New Area, the west of Ji Yang Lu, the east of East Road Fertility, the north of Gaoqing Road West, the south of Haiyang Road West* (浦東新區三林鎮，四至範圍東至濟陽路，西至東育路，南至高青西路，北至海陽西路)
Total site area	:	26,707.3 square meters
Total gross floor area	:	133,536.5 square meters
Nature of the land use rights	:	Commercial, office and hotel use, out of which an integrated art and cultural facility will be part of the commercial component; and the office component is allowed to be sold on a strata title basis 10 years from completion of government inspection of the whole project
Land Price	:	RMB1,949,630,000 (equivalent to approximately HK\$2,242 million)
Payment term	:	— 20% of the Land Price is payable within 5 business days from the date of the Land Use Rights Grant Contract* (“ 1st Installment ”) — The remaining 80% of the Land Price is payable within 30 business days from the date of the Land Use Rights Grant Contract* (“ 2nd Installment ”)

LETTER FROM THE BOARD

As at the Latest Practicable Date, a total of approximately RMB975 million (equivalent to approximately HK\$1,121 million) has been paid as a deposit by HTDL and the JV Partner in proportion to their respective interests in the joint venture and such deposit will be used to set off against the 1st Installment and part of the 2nd Installment accordingly.

Land Price

The Land Price of RMB1,949,630,000 (equivalent to approximately HK\$2,242 million), was arrived at the Auction held by Shanghai Land Exchange Centre*.

The Board considered that the Land Price was fair and reasonable after taking into account the market price of surrounding land and the development potential of the Land.

Pursuant to the requirements of Pudong New Area Planning and Land Authority* under the sales document, the Land Use Rights Grant Contract* for the Land shall be entered into by a sino-foreign equity joint venture company within three months from the date of the Transaction Confirmation. On 4 November 2016, HTDL and the JV Partner entered into a JV Agreement, pursuant to which a joint venture will be formed to jointly develop the Land. The said joint venture will be owned as to 50% and 50% by HTDL and the JV Partner respectively. As at the Latest Practicable Date, the joint venture is still in the process of incorporation and both HTDL and the JV Partner are currently ascertaining with the relevant government authorities in relation to the official application and filing procedure and the documents required for the incorporation of the joint venture and it is expected that such joint venture could be established within three months from the date of the Transaction Confirmation. Apart from the above, there is no outstanding matter in order to obtain the Land Use Rights Grant Contract*. Hence, the Land Use Rights Grant Contract* in relation to the Acquisition is expected to be entered into before 1 February 2017.

PRINCIPAL TERMS OF THE JV AGREEMENT

Date	:	4 November 2016
Parties	:	(i) HTDL; and (ii) JV Partner
Shareholding Structure	:	HTDL : 50%; and JV Partner : 50%
Registered Capital Commitment of the Joint Venture	:	RMB3,000 million (equivalent to approximately HK\$3,450 million)

LETTER FROM THE BOARD

- Total Financial Commitment of the Joint Venture : RMB6,000 million (equivalent to approximately HK\$6,900 million)
- The financial commitment of the joint venture shall be made by HTDL and the JV Partner will be in proportion to their respective interests in the joint venture.
- Sources of Financing : Both parties should endeavor to obtain borrowings from banks and/or other financial institutions for the development of the project. The land use right and the properties under construction shall be used as collateral. Unless otherwise agreed by the parties in writing, neither party has the obligation to provide respective guarantee for borrowings.
- Board of Directors : The board shall consist of eight members, of whom four members shall be appointed by HTDL and the other four members shall be appointed by the JV Partner. The Chairman shall be appointed by the JV Partner and the Vice Chairman shall be appointed by HTDL.
- Board Decisions : All major decisions require unanimous approval of all directors, including but not limited to design plan of the project, positioning of the commercial component, the operation plan of the integrated art and cultural facility, annual budget, funding plan and annual business plan, appointment of hotel management company and hotel management fee, leasing plan for office and retail, appointment of service providers, and dividend policy.
- Profit Distribution Arrangement : All excess cash of the joint venture shall firstly be applied towards repayment of any outstanding shareholders' loan and outstanding interests thereon (if any) on pro-rata basis according to the chronological order and each party's shareholders' loan contribution and secondly be paid out to both parties according to their respective interests in the joint venture.

The joint venture will be accounted for by the Company under the equity method of accounting. The estimated capital commitment of the Company in the Transactions is RMB3,000 million (equivalent to approximately HK\$3,450 million) which will be satisfied by the internal resources of the Group and project financing.

INFORMATION OF PUDONG NEW AREA PLANNING AND LAND AUTHORITY*, SHANGHAI LAND EXCHANGE CENTRE* AND THE JV PARTNER

Pudong New Area Planning and Land Authority* is a government body in the PRC, is responsible for, among other things, managing the primary land market, the tendering, auction and listing-for-sale of rights to use state-owned land in Pudong, Shanghai.

LETTER FROM THE BOARD

Shanghai Land Exchange Centre* is a public body in the PRC responsible for, among other things, the transaction of land use rights in Shanghai, and was appointed by the Pudong New Area Planning and Land Authority* to offer the Land for sale.

JV Partner is a subsidiary of Shanghai Lujiazui (Group) Company Limited. The principal business activity of the JV Partner is to develop the Qiantan business district. Shanghai Lujiazui (Group) Company Limited is one of the largest state-owned enterprises under the administration of Shanghai Municipal Government and is primarily engaged in real estate development and was responsible for the development of Lujiazui Finance and Trade Zone.

INFORMATION OF THE GROUP

The Company is an investment holding company and its subsidiaries are engaged in a number of business activities including property development, investment and management, hospitality, transportation and investment.

HTDL is a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company. The principal business activity of HTDL is to form a consortium with the JV Partner to bid the Land and upon successful bid, to hold and develop the Land in conjunction with the JV Partner pursuant to the JV Agreement.

REASONS FOR THE ACQUISITION

The Land is located in southeast part of the Qiantan business district which is situated in Pudong area of Shanghai city and forms part of China (Shanghai) Pilot Free Trade Zone.

It is planned by both parties to develop the project comprising of approximately 70,000 square meters of office space, approximately 14,000 square meters of retail space, approximately 20,000 square meters of hotel component and approximately 30,000 square meters of an integrated art and cultural facility. The hotel therein will be managed by the Group's hotel management subsidiary, Artyzen Hospitality Group.

The Group has strategically expanded its investment portfolio in the PRC with a number of mixed-use development projects culminating in Beijing, Shanghai and Hengqin. It is expected that the project will be benefited from its superior location and the Group will also be able to enhance its recurrent income and capture capital appreciation potentials over the long run.

FINANCIAL EFFECT OF THE ACQUISITION

Immediately upon the Acquisition and assuming RMB974,815,000 (equivalent to approximately HK\$1,121 million), which is the amount attributable to HTDL according to its interests in the joint venture, will be satisfied by internal resources of the Group, there is no effect on the total assets and the total liabilities of the Group. The Company considers that there will not be any material effect on the earnings of the Group immediately upon the Acquisition.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

On the basis that the applicable percentage ratios in respect of the Transactions are greater than 25% while all such ratios are less than 100% for the purposes of Rule 14.07 of the Listing Rules, the Transactions constitute major transactions for the Company under the Listing Rules.

The Group is actively engaged in property development as one of its principal business activities, as such, the Company considers itself to be a Qualified Issuer for the purpose of Rule 14.04(10B) of the Listing Rules. The Acquisition is through a listing-for-sale process governed by PRC Law (as defined under Rule 19A.04 of the Listing Rules) from Pudong New Area Planning and Land Authority* which is a PRC Governmental Body (as defined under Rule 19A.04 of the Listing Rules). The Land will be jointly developed by HTDL and the JV Partner on a 50/50 basis. According to the JV Agreement which is prepared on an arm's length basis and on normal commercial terms, the joint venture will be single purpose relating to the development of the Land. The JV Agreement also contains clauses that the joint venture, may not, without the unanimous consent from both HTDL and the JV Partner, (i) change the nature or scope of the joint venture's business and its scope of business shall at all times consistent with the requirements set out in the sales documents of the Auction; and (ii) enter into any transactions which are not on an arm's length basis. As a result, the Company considers the Transactions are regarded as a Qualified Property Acquisition under Rule 14.04(10C) of the Listing Rules and the Company is of the view that a valuation report of the Land is not required to be included in this circular under Rule 14.33B(3) of the Listing Rules.

The Board confirms that the Transactions are in the Group's ordinary and usual course of business and the Transactions are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Transactions are subject to reporting and announcement requirements and are exempt from shareholders' approval requirements pursuant to Rule 14.33A of the Listing Rules.

3. GENERAL

Your attention is also drawn to the financial information of the Group and general information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Shun Tak Holdings Limited
Pansy Ho
Managing Director

1. CONSOLIDATED FINANCIAL STATEMENTS

The Company is required to set out in this circular the information for the last three financial years with respect to the profits and losses, financial record and position, set out as a comparative table and the latest published audited balance sheet together with the notes on the annual financial statements for the last financial year for the Group.

The audited consolidated financial statements of the Group for the year ended 31 December 2015 are set out on pages 83 to 173 in the Annual Report 2015 of the Company, which was published on 25 April 2016. The Annual Report 2015 is also posted on the Company's website www.shuntakgroup.com. Please also see below a quick link to the Annual Report 2015:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0425/LTN20160425667.pdf>

The audited consolidated financial statements of the Group for the year ended 31 December 2014 are set out on pages 81 to 174 in the Annual Report 2014 of the Company, which was published on 28 April 2015. The Annual Report 2014 is also posted on the Company's website www.shuntakgroup.com. Please also see below a quick link to the Annual Report 2014:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0428/LTN20150428720.pdf>

The audited consolidated financial statements of the Group for the year ended 31 December 2013 are set out on pages 72 to 156 in the Annual Report 2013 of the Company, which was published on 23 April 2014. The Annual Report 2013 is also posted on the Company's website www.shuntakgroup.com. Please also see below a quick link to the Annual Report 2013:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0423/LTN20140423348.pdf>

2. INDEBTEDNESS OF THE GROUP

As at 31 October 2016, being the latest practicable date for the purpose of the statement of indebtedness prior to the printing of this circular, the Group had outstanding (i) medium term notes of approximately HK\$3,116 million; (ii) bank borrowings of approximately HK\$8,411 million comprising secured bank loans of approximately HK\$2,846 million and unsecured bank loans of approximately HK\$5,565 million; and (iii) unsecured loans from non-controlling interests of approximately HK\$817 million. The secured bank loans were secured by charges on certain assets of the Group and shares of certain subsidiaries of the Group. The Group had not provided any guarantees in favour of the unsecured loans from non-controlling interests.

In addition to the above, the Group had provided a guarantee to a third party amounting to approximately HK\$3 million in respect of a sum owing by a joint venture to the third party under a license agreement as at 31 October 2016.

Save as aforesaid, and apart from intra-group liabilities, the Group did not have any loan capital and/or debt securities issued and outstanding or agreed to be issued or otherwise created but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills, if any) or acceptable credits, debentures, mortgage, charges, hire purchases commitments, guarantees or other material contingent liabilities outstanding at the close of business on 31 October 2016.

3. WORKING CAPITAL OF THE GROUP

The Directors are of the opinion that, after taking into account the effects of the Transactions, the internal financial resources and present banking facilities available to the Group, the Group will have sufficient working capital in the absence of unforeseen circumstances for its present requirements and for at least the next 12 months from the date of this circular.

4. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Directors are of the opinion that the Group is in a healthy financial position, allowing it to readily capture potential opportunities which may arise in the future. Under the current economic environment, the Group shall continue to stay vigilant and adopt a pragmatic approach in our core businesses, while executing new projects along the pipeline to build new impetus for growth into the future.

The property division will focus its efforts on the pre-sale preparation of residential units of Nova City Phase 5.

For the transportation division, the Company is solidifying plans to further enhance its products and service network in 2016. Amongst which is an expansion into the soon-to-be completed permanent Taipa Ferry Terminal. In addition to carrying over all existing routes from Pac On Temporary Ferry Terminal, TurboJET will increase sailing frequencies to enhance capacities, subject to government approval.

Across the two SARs, hotels have been facing the same set of challenges, as tourist arrivals declined and price competition intensified. In Macau, the opening of a pipeline of integrated resorts further exacerbated the problem. In light of such, hotels under the Group have also adjusted their sales strategy and target markets to drive new revenue sources.

For the investment division, performance is expected to remain at similar level until new impetus for growth can be harnessed.

As the Group remains cautiously optimistic about its business performance, it will continue to focus on exploring opportunities with long term value potentials in generating optimal returns for its Shareholders.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Interests of Directors

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange were as follows:

(a) Interests of the Directors in Shares and Underlying Shares of the Company

Name of Director	Nature of interests	Number of Shares held		Approximate percentage of total issued Shares
		Personal interests	Corporate interests	
		Note	Note	Note (i)
Dr. Stanley Ho	Interests in issued shares	1,798,559	—	0.06%
	Interests in unissued shares	—	148,883,374 (iii)	4.89%
Mr. Norman Ho	Interests in underlying shares	1,132,124 (ii)	—	0.04%
Mr. Charles Ho	Interests in underlying shares	1,132,124 (ii)	—	0.04%
Mrs. Louise Mok	Interests in issued shares	471,112	—	0.02%
	Interests in underlying shares	1,132,124 (ii)	—	0.04%
Ms. Pansy Ho	Interests in issued shares	161,865,937	363,798,627 (iv)	17.28%
	Interests in issued shares	—	65,040,000 (vi)	2.14%
	Interests in unissued shares	—	148,883,374 (iii)	4.89%
Ms. Daisy Ho	Interests in issued shares	86,136,345	134,503,471 (v)	7.25%
	Interests in issued shares	—	65,040,000 (vi)	2.14%
	Interests in unissued shares	—	148,883,374 (iii)	4.89%
Ms. Maisy Ho	Interests in issued shares	38,901,203	31,717,012 (vii)	2.32%
Mr. David Shum	Interests in issued shares	5,660,377	—	0.19%

Notes:

- (i) As at the Latest Practicable Date, the total number of issued shares of the Company was 3,042,465,785.
- (ii) These represented the interests in underlying shares in respect of share options granted by the Company.
- (iii) These 148,883,374 unissued shares, in which Dr. Stanley Ho, Ms. Pansy Ho and Ms. Daisy Ho were deemed to be interested by virtue of the SFO, were the same parcel of shares, and represented the maximum amount of shares to be issued to Alpha Davis Investments Limited (“ADIL”) upon completion of the acquisition as described in the Company’s circular dated 17 December 2004 and the Company’s announcement dated 1 November 2016 regarding an update on the acquisition. ADIL is owned as to 47% by Innowell Investments Limited (“IIL”) and 53% by Megaprosper Investments Limited (“MIL”). IIL is wholly-owned by Dr. Stanley Ho. MIL is owned as to 51% by Ms. Pansy Ho and 39% by Ms. Daisy Ho.
- (iv) These 363,798,627 shares, in which Ms. Pansy Ho was deemed to be interested by virtue of the SFO, comprised 184,396,066 shares held by Beeston Profits Limited (“BPL”) and 179,402,561 shares held by Classic Time Developments Limited (“CTDL”). Both BPL and CTDL are wholly-owned by Ms. Pansy Ho.
- (v) These 134,503,471 shares, in which Ms. Daisy Ho was deemed to be interested by virtue of the SFO, were held by St. Lukes Investments Limited, which is wholly-owned by Ms. Daisy Ho.
- (vi) These 65,040,000 shares, in which Ms. Pansy Ho and Ms. Daisy Ho were deemed to be interested by virtue of the SFO, were the same parcel of shares, held by MIL through its wholly-owned subsidiary, Business Dragon Limited.
- (vii) These 31,717,012 shares, in which Ms. Maisy Ho was deemed to be interested by virtue of the SFO, were held by LionKing Offshore Limited, which is wholly-owned by Ms. Maisy Ho.

(b) Interests of the Directors in Shares and Underlying Shares of Subsidiaries of the Company

Name of Director	Name of company	Corporate interests	Percentage of total issued shares <i>Note (i)</i>
Dr. Stanley Ho	Shun Tak Cultural Centre Limited	4 ordinary shares	40.00%

Note:

- (i) As at the Latest Practicable Date, there was a total of 10 ordinary shares of Shun Tak Cultural Centre Limited in issue.

(c) *Interests of the Directors in Shares and Underlying Shares of Other Associated Corporations of the Company*

Name of Director	Name of company	Corporate interests	Percentage of total issued shares <i>Note (i)</i>
Ms. Pansy Ho	Shun Tak & CITS Coach (Macao) Limited	1,500 shares	15.00%

Note:

(i) As at the Latest Practicable Date, there was a total of 10,000 shares of Shun Tak & CITS Coach (Macao) Limited in issue.

All the interests disclosed in sub-paragraphs (a) to (c) above represented long position interests in the shares or underlying shares of the Company, its subsidiaries and its associated corporations (within the meaning of Part XV of the SFO).

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares and debentures of the Company, its subsidiaries and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange.

Interests of substantial Shareholders in the Company

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the following persons (not being a Director or chief executive of the Company) had, or were deemed to have, an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO were as follows:

APPENDIX II
GENERAL INFORMATION

Name of Shareholder	Nature of interests <i>Note</i>	Capacity	Long position/ short position	Number of Shares/ underlying Shares held	Approximate percentage of total issued Shares <i>Note (i)</i>
Renita Investments Limited (“ Renita ”) and its subsidiary	(ii) Interests in issued shares	Beneficial owner and interests of controlled corporation	Long position	500,658,864	16.46%
Oakmount Holdings Limited (“ Oakmount ”)	(ii) Interests in issued shares	Beneficial owner	Long position	396,522,735	13.03%
Shun Tak Shipping Company, Limited (“ STS ”) and its subsidiaries	(iii) Interests in issued shares	Beneficial owner and interests of controlled corporation	Long position	373,578,668	12.28%
Beeston Profits Limited (“ BPL ”)	(iv) Interests in issued shares	Beneficial owner	Long position	184,396,066	6.06%
Classic Time Developments Limited (“ CTDL ”)	(iv) Interests in issued shares	Beneficial owner	Long position	179,402,561	5.90%
Megaprosper Investments Limited (“ MIL ”)	(v) Interests in issued shares	Interest of controlled corporation	Long position	65,040,000	2.14%
	(vi) Interests in unissued shares	Interest of controlled corporation	Long position	148,883,374	4.89%

Notes:

- (i) As at the Latest Practicable Date, the total number of issued Shares of the Company was 3,042,465,785.
- (ii) These 500,658,864 shares comprised 396,522,735 shares held by Oakmount, which is wholly-owned by Renita. Accordingly, part of the interests of Renita in the Company duplicate the interests of Oakmount in the Company. Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho have beneficial interests in Renita and Oakmount. Both Ms. Pansy Ho and Ms. Daisy Ho are directors of Renita and Oakmount.
- (iii) Dr. Stanley Ho is a director of STS. Ms. Pansy Ho and Ms. Daisy Ho have beneficial interests in and are directors of STS. Mrs. Louise Mok, Ms. Maisy Ho and Mr. David Shum have beneficial interests in STS.
- (iv) Ms. Pansy Ho has 100% interests in and is a director of BPL and CTDL.
- (v) MIL is owned as to 51% by Ms. Pansy Ho and 39% by Ms. Daisy Ho. Ms. Pansy Ho and Ms. Daisy Ho are directors of MIL. These 65,040,000 shares were held by Business Dragon Limited, a wholly-owned subsidiary of MIL.
- (vi) These 148,883,374 unissued shares represented the maximum amount of shares to be issued to Alpha Davis Investments Limited (“**ADIL**”) pursuant to the Company’s announcement dated 1 November 2016 regarding an update on the acquisition. ADIL is owned as to 47% by Innowell Investments Limited (“**IIL**”) and 53% by MIL. IIL is wholly-owned by Dr. Stanley Ho.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, no other persons (not being a Director or chief executive of the Company) had, or were deemed to have, an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO.

3. DIRECTORS' INTERESTS IN CONTRACTS AND ARRANGEMENTS

- (i) Pursuant to the fuel arrangement extension agreement entered into between Shun Tak - China Travel Shipping Investments Limited (“**ST-CTSI**”), a non wholly-owned subsidiary of the Company, and Sociedade de Turismo e Diversões de Macau, S.A. (“**STDM**”), a company in which Dr. Stanley Ho, Mrs. Louise Mok, Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho and Mr. David Shum have beneficial interests, on 25 October 2013, STDM supplies and loads fuel into ST-CTSI’s vessels at the Macau Outer Harbour Terminal for its Macau shipping operations. The agreement is for a term of 3 years from 1 January 2014 to 31 December 2016. The price of fuel was determined with reference to its market price plus a small handling charge. The Company has made an announcement on 25 October 2013 and a circular to Shareholders dated 15 November 2013 in this respect.
- (ii) Pursuant to a master products and services agreement (the “**Master Agreement**”) entered into between the Company and STDM on 14 December 2015, the Master Agreement set out a framework for the provision of the below products and services by the Group to STDM and its subsidiaries (the “**STDM Group**”), and vice versa, on a non-exclusive basis. The Master Agreement is for a term of 3 years from 1 January 2016 to 31 December 2018. An announcement was made by the Company on 14 December 2015.
 - Provision of the products and services by the Group to the STDM Group including the following:
 - (a) sale of ferry tickets at a discount of 5% for a bulk purchase of ferry tickets by the STDM Group for its own account;
 - (b) provision of management and operation services to hotels and other hospitality properties and business owned by the STDM Group such as hotels, Macau Tower Convention & Entertainment Centre (“**Macau Tower**”) and restaurants;
 - (c) sale of travel products and provision of travel agency services, such as hotel accommodation and ticketing;

- (d) provision of other property-related services, such as property management, sale and leasing, project management and cleaning services to various properties owned by the STDM Group; and
- (e) provision of business support services such as laundry, company secretarial services, promotion and advertising, and office administrative service.
- Provision of the products and services by the STDM Group to the Group including the following:
 - (f) sale of travel products such as hotel accommodation and Macau Tower admission tickets to the Group; and
 - (g) provision of management services to properties owned by the Group.
- (iii) The Group granted financial assistance to Shun Tak Cultural Centre Limited, a company owned as to 60% by the Group and 40% by a company in which Dr. Stanley Ho has beneficial interest. The shareholders' loan was granted by both shareholders in proportion to their respective shareholdings on an interest-free basis.
- (iv) Pursuant to the master service agreement (the "**MGM Master Service Agreement**") entered into between the Company and MGM Grand Paradise Limited ("**MGM**"), a company in which Ms. Pansy Ho has indirect beneficial interest, on 24 December 2013, the MGM Master Service Agreement set out a framework for products and/or services which may be provided/demanded by the Group to/from MGM and/or its subsidiaries from time to time on a non-exclusive basis. The MGM Master Service Agreement is for a term of 3 years from 1 January 2014 to 31 December 2016 and is thereafter renewable for successive terms of 3 years by mutual agreement in writing.
- (v) Pursuant to the ferry ticket sales framework agreement (the "**Ticketing Agreement**") entered into between Shun Tak-China Travel Ship Management Limited ("**STCTSML**"), an indirect non wholly-owned subsidiary of the Company, and MPEL Services Limited ("**MPEL**"), a wholly-owned subsidiary of Melco Crown Entertainment Limited ("**MCE**") and a company in which Dr. Stanley Ho, Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho and Mrs. Louise Mok have indirect beneficial interest by virtue of their family member or relative's interests in MCE, on 7 October 2016, the STCTSML may, from time to time, sell to MCE and its subsidiaries (including MPEL) (the "**MCE Group**") the ferry tickets for ferry services operated by Shun Tak-China Travel Shipping Investments Limited and its subsidiaries (including STCTSML) at a discount on bulk purchase of ferry tickets by the MCE Group for its own account. The Ticketing Agreement is for a term from 7 October 2016 to 31 December 2018 and is thereafter renewable for successive terms of 3 years by mutual agreement in writing. An announcement was made by the Company on 7 October 2016.

- (vi) Pursuant to a conditional sale and purchase agreement entered into between Shun Tak Nam Van Investment Limited (“**Shun Tak Nam Van**”), an indirect wholly-owned subsidiary of the Company, and Sai Wu Investment Limited (“**Sai Wu**”), a company beneficially owned as to 60% by Dr. Stanley Ho and 40% by independent third parties, on 11 November 2004, Shun Tak Nam Van agreed to acquire the interest in the land development right of property sites adjacent to the Macau Tower in Nam Van, Macau. The consideration for the acquisition is HK\$1,500 million which will be satisfied as to HK\$750 million in cash and as to the balance by the issuance of Shares to ADIL, a company in which each of Dr. Stanley Ho, Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho has a beneficial interest. A refundable deposit of HK\$500 million was paid by Shun Tak Nam Van to Sai Wu to extend the completion date of the acquisition without changing the consideration or its other terms of the acquisition. On 31 December 2014, the completion date of the acquisition was further extended from 31 December 2014 to on or before 31 December 2016. The Company has issued various announcements (the latest one was issued on 31 December 2014) and a circular to Shareholders dated 17 December 2004 in relation to this acquisition.
- (vii) On 1 November 2016, Shun Tak Nam Van, the Company and Sai Wu entered into an agreement in respect of the extension of the long stop date for the acquisition as described in the Company’s circular dated 17 December 2004 and the subsequent extensions as announced and the grant of authority to Shun Tak Nam Van to directly negotiate on behalf of Sai Wu and certain companies with the Macau Government (or other relevant parties) in obtaining relevant approvals or land concession rights. An announcement was made by the Company on 1 November 2016.

Save for the contracts disclosed in this section, none of the Director was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

4. DIRECTORS’ INTERESTS IN ASSETS AND OTHER INTERESTS

Since 31 December 2015, being the date to which the latest published audited accounts of the Company have been made up:

- (i) the Group had entered into 25 license agreements, as licensee, with the STDM Group, as licensor, to license or renew the license to use certain premises in Macau for a term of less than 3 years from the STDM Group for an aggregate amount of approximately MOP27 million plus the turnover rent for one of the abovementioned agreements;
- (ii) on 1 March 2016, the Group had entered into a tenancy agreement, as tenant, with a subsidiary of STS, as landlord, to renew the lease of a premise in Macau for a period of 3 years from the STS group for a total rent (inclusive of management fee, government rent and housing tax) of approximately HK\$2 million for the lease period;

- (iii) on 4 July 2016, the Group had entered into a renewal license agreement, as licensee, with Shun Tak Centre Limited (“STC”), a company in which Dr. Stanley Ho has beneficial interest, as licensor, for the use of a certain lightbox located in Hong Kong for a period of 1 year from STC for a consideration of HK\$12,000; and
- (iv) on 19 September 2016, the Group had entered into a renewal tenancy agreement, as tenant, with STC, as landlord, to renew the lease of a premise in Hong Kong for a proposed period of 2 years from STC for a proposed consideration of approximately HK\$1 million for the lease period.

Save as disclosed above and herein, as at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2015, being the date to which the latest published audited financial statements of the Group were made up.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which will not expire or may not be terminated by the Company within one year without payment of compensation (other than statutory compensation).

6. LITIGATION

As at the Latest Practicable Date, there was no litigation or claims of material importance known to the Directors pending or threatened against any member of the Group.

7. COMPETING INTERESTS

As at the Latest Practicable Date, Dr. Stanley Ho, the Group executive chairman of the Board and an executive Director, is a director and shareholder of STC, which is engaged in the business of property investment. Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho and Mr. David Shum, each being an executive Director, are also directors of STC.

As at the Latest Practicable Date, Dr. Stanley Ho and Ms. Pansy Ho are directors of STDM, which is engaged in the businesses of property investment, property development and/or hospitality. Ms. Daisy Ho is an appointed representative of Lanceford Company Limited, a corporate director of STDM and Mr. David Shum is an appointed representative of the Company, a corporate director of STDM.

Given the above, Dr. Stanley Ho, Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho and Mr. David Shum are considered to have interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules.

The above-mentioned competing businesses are managed by separate entities with independent management and administration. The Directors (including the independent non-executive Directors) are of the view that the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of these entities. When making decisions, the relevant Directors, in performance of their duties as Directors of the Company, have acted and will continue to act in the best interests of the Group.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or any of their respective close associates was interested in any business, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

8. MATERIAL ADVERSE CHANGE

Save for the profit warning announcement published by the Group on 22 July 2016, the Directors are of the opinion that there are no material adverse changes in the financial or trading position of the Group since the date to which the latest published audited accounts of the Company have been made up.

9. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the members of the Group within the two years immediately preceding the Latest Practicable Date and are or may be material:

- (i) the JV Agreement;
- (ii) the Transaction Confirmation;
- (iii) the agreement dated 1 November 2016 entered into among Shun Tak Nam Van, the Company and Sai Wu in respect of, among others, the extension of the long stop date for the acquisition as described in the Company's circular dated 17 December 2004 and the subsequent extensions as announced and the grant of authority to Shun Tak Nam Van to directly negotiate on behalf of Sai Wu and certain companies with the Macau Government (or other relevant parties) in obtaining relevant approvals or land concession rights;

- (iv) the sale and purchase agreement (“**Sale and Purchase Agreement**”) dated 22 June 2016 entered into between the Company, Ace Promise Investments Limited (“**Ace Promise**”) and HIP Company Limited (“**HIP**”) relating to, among other things, the sale and purchase of five issued shares in Nextor Holdings Limited (“**Nextor**”), representing 50% of all the issued shares of Nextor; and
- (v) a side letter dated 22 June 2016 and entered into by Ace Promise, HIP and the Company in relation to the variation of the payment terms of the Sale and Purchase Agreement.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company’s registered office at Penthouse 39th Floor, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong from 10:00 a.m. to 1:00 p.m. and from 2:00 p.m. to 5:30 p.m., Mondays to Fridays (except public holidays), from the date of this circular up to and including 6 December 2016:

- (i) the articles of association of the Company;
- (ii) the annual reports of the Company for the two financial years immediately preceding the issue of this circular;
- (iii) the material contracts referred to in this appendix;
- (iv) the circular dated 26 July 2016 in relation to the Sale and Purchase Agreement; and
- (v) this circular.

11. MISCELLANEOUS

- (i) The secretary of the Company is Ms. Tsang Mei Chu, Angela. She is an associate member of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
- (ii) The registered office of the Company is located at Penthouse 39th Floor, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong.
- (iii) The share registrar of the Company is Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
- (iv) This circular has been prepared in English and Chinese. In the case of any discrepancy, the English language text of this circular shall prevail.