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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>

ANNOUNCEMENT

**CONTINUING CONNECTED TRANSACTION
IN RELATION TO
RENEWAL OF THE KIU LOK CONSULTANCY AGREEMENT**

On 25 March 2013, STP, an indirect wholly-owned subsidiary of the Company, executed the Renewed Consultancy Agreement with Kiu Lok to continue the appointment of Kiu Lok as a consultant to STP in respect of managing the Property.

The annual caps for the Consultancy Fee for the period from 4 March 2013 to 31 December 2013, the years ending 31 December 2014 and 2015 and the period from 1 January 2016 to 3 March 2016 are set at HK\$5.2 million, HK\$7.0 million, HK\$7.0 million and HK\$1.8 million respectively.

Since the annual caps for the Consultancy Fee for the period from 4 March 2013 to 31 December 2013, the years ending 31 December 2014 and 2015 and the period from 1 January 2016 to 3 March 2016 exceed 0.1% but are less than 5% for the appropriate percentage ratios (other than the profits ratio) as defined in Rule 14.07 of the Listing Rules, the entering into of the Renewal Consultancy Agreement is therefore subject to the reporting and announcement requirements under Rules 14A.45 and 14A.47 of the Listing Rules but exempt from independent Shareholders' approval. Appropriate disclosure of this transaction will be made in the annual reports and accounts of the Company in accordance with the Listing Rules and such transaction will also be subject to annual review requirements under Rules 14A.37 to 14A.40 of the Listing Rules.

RENEWAL OF THE KIU LOK CONSULTANCY AGREEMENT

As set out in the Announcement, among other things, STP has been managing the Property since 1986 and Kiu Lok has been a consultant to STP since 1987 to advise and assist in its management of the Property. The consultancy agreement executed by STP and Kiu Lok on 30 June 2011 expired on 3 March 2013. On 25 March 2013, STP executed the Renewed Consultancy Agreement with Kiu Lok to continue the appointment of Kiu Lok as a consultant to STP on the following principal terms:

Date	25 March 2013
Parties	(i) STP (as manager of the Property); and (ii) Kiu Lok (as consultant to STP)
Term	Takes effect from 4 March 2013 to 3 March 2016

Scope of Services

Kiu Lok will continue to advise STP under the Renewed Consultancy Agreement on such matters as may be necessary or requisite for the proper management of the Property, including, among other things, maintaining and improving facilities and services at the Property, collecting monies payable by owners at the Property and recruiting staff for managing the Property.

Consideration

In consideration for Kiu Lok's services, STP will continue to pay on a monthly basis the Consultancy Fee which amounts to 50% of the Manager's Remuneration.

Annual Caps for the Renewed Consultancy Agreement

For the two years ended 31 December 2011 and 2012 and the two months ended 28 February 2013, the Consultancy Fee paid to Kiu Lok was HK\$4.6 million, HK\$4.8 million and HK\$0.7 million respectively, representing 50% of the Manager's Remuneration received by STP. The Manager's Remuneration is determined with reference to expenditures incurred by STP in managing the Property. Based on the estimated Manager's Remuneration receivable by STP by taking into account (i) the historical amounts of the Manager's Remuneration; (ii) the estimated expenditures to be incurred by STP in managing the Property for the period from 4 March 2013 to 31 December 2013, the years ending 31 December 2014 and 2015 and the period from 1 January 2016 to 3 March 2016 after taking into consideration the market conditions; and (iii) Kiu Lok's share of the Manager's Remuneration, the annual caps

for the Consultancy Fee for the period from 4 March 2013 to 31 December 2013, the years ending 31 December 2014 and 2015 and the period from 1 January 2016 to 3 March 2016 are set at HK\$5.2 million, HK\$7.0 million, HK\$7.0 million and HK\$1.8 million respectively.

Reasons for the Renewed Consultancy Agreement

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

STP is engaged in the business of property management.

Kiu Lok is a company providing property management services.

Engagement of Kiu Lok's consultancy services enables STP to manage the Property more efficiently.

The terms of the Renewed Consultancy Agreement are arrived at after arm's length negotiations between the parties. The Directors consider that the entering into of the Renewed Consultancy Agreement is in the ordinary and usual course of business of the Group, on normal commercial terms, and that the terms of the Renewed Consultancy Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Listing Rules Implications of the Renewed Consultancy Agreement

Kiu Lok is beneficially owned as to more than 50% by Dato' Dr. Cheng (being a non-executive director of the Company) and his family members (including in-laws and descendants thereof) on aggregate (direct or indirect) basis. Kiu Lok is therefore a connected person of the Company under Rule 14A.11(4)(c)(ii) of the Listing Rules. The consultancy services provided by Kiu Lok under the Renewed Consultancy Agreement will be on an ongoing basis and constitute continuing connected transaction of the Company under Rule 14A.14 of the Listing Rules. Since the annual caps for the Consultancy Fee for the period from 4 March 2013 to 31 December 2013, the years ending 31 December 2014 and 2015 and the period from 1 January 2016 to 3 March 2016 exceed 0.1% but are less than 5% for the applicable percentage ratios (other than the profits ratio) as defined in Rule 14.07 of the Listing Rules, the entering into of the Renewed Consultancy Agreement is therefore subject to reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules but exempt from independent Shareholders' approval. Appropriate disclosure of this transaction will be made in the annual reports and accounts of the Company in accordance with the Listing Rules and such transaction will also be subject to annual review requirements under Rules 14A.37 to 14A.40 of the Listing Rules.

Other than the Abstained Director, no Director has any material interest in the Renewed Consultancy Agreement and therefore none of them is required to abstain from voting on the board resolution approving the Renewed Consultancy Agreement.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Abstained Director”	Dato’ Dr. Cheng, being a non-executive Director of the Company, who has not given any opinion and has abstained from voting on the board resolution approving the Renewed Consultancy Agreement in view of the interests of him or his Associate in Kiu Lok
“Announcement”	the announcement of the Company dated 4 July 2011
”Associate”	bears the meaning as defined in the Listing Rules
“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)
“Consultancy Fee”	The consultancy fee payable by STP to Kiu Lok under the Renewed Consultancy Agreement
“Dato’ Dr. Cheng”	Dato’ Dr. Cheng Yu Tung, the non-executive Director of the Company
“Director(s)”	the director(s), including independent non-executive director(s), of the Company
“Group”	the Company together with its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Kiu Lok”	Kiu Lok Service Management Company Limited, a company incorporated in Hong Kong with limited liability and is owned as to more than 50% by Dato’ Dr. Cheng and his family members (including in-laws and descendants thereof) on aggregate (direct or indirect) basis
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Management Agreement”	the agreement dated 3 March 2011 entered into between STP and the owners’ committee of the Property for the provision of property management services by STP
“Manager’s Remuneration”	the manager’s remuneration receivable by STP under the Management Agreement
“PRC”	The People’s Republic of China
“Property”	Shun Tak Centre, comprising two office towers named as West Tower and East Tower (or China Merchants Tower) and a shopping mall and multi-storey car park, located at Nos. 168-200, Connaught Road Central, Hong Kong
“Renewed Consultancy Agreement”	The agreement dated 25 March 2013 entered into between STP and Kiu Lok for the provision of consultancy services by Kiu Lok in connection with the management of the Property
“Shareholders”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“STP”	Shun Tak Properties Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company

By order of the Board
SHUN TAK HOLDINGS LIMITED
Angela Tsang
Company Secretary

Hong Kong, 25 March 2013

As at the date of this announcement, the executive Directors are Dr. Stanley Ho, Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho, Mr. David Shum and Mr. Rogier Verhoeven; the non-executive Directors are Dato’ Dr. Cheng Yu Tung and Mrs. Louise Mok; and the independent non-executive Directors are Sir Roger Lobo, Mr. Norman Ho, Mr. Charles Ho and Mr. Michael Ng.