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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>

**ANNOUNCEMENT
IN RELATION TO THE JOINT VENTURE ARRANGEMENT FOR
THE HENGQIN DEVELOPMENT PROJECT**

This is a voluntary announcement made by the Company.

Reference is made to the announcement of the Company dated 31 July 2013 in relation to the acquisition of the State-owned land use right of the land parcel located in Hengqin New Area, Zhuhai, the PRC.

The Group is pleased to announce that, on 8 January 2014, STDCL (a wholly owned subsidiary of the Company) entered into the Joint Venture Agreement with the Investor and NMDL (a wholly owned subsidiary of STDCL), pursuant to which STDCL and the Investor will jointly develop the Land on a 70:30 basis.

The transaction contemplated under the Joint Venture Agreement does not constitute a notifiable transaction or a connected transaction of the Company under Chapter 14 and Chapter 14A of the Listing Rules. The Company is making this announcement on a voluntary basis in order to update its shareholders and investors on the recent development of the Group.

This is a voluntary announcement made by the Company.

Reference is made to the announcement of Company dated 31 July 2013 (“**Announcement**”) in relation to the acquisition of the State-owned land use right of the land parcel 珠橫國土儲 2013-04 located in Hengqin New Area, Zhuhai, the PRC (“**Land**”).

Capitalised terms used herein shall, unless otherwise defined, have the same meanings as adopted in the Announcement.

The Group is pleased to announce that, on 8 January 2014, Shun Tak Development (China) Limited (“**STDCL**”) (a wholly owned subsidiary of the Company) entered into a joint venture agreement (“**Joint Venture Agreement**”) with Perennial Hengqin Investment Group Pte. Ltd. (“**Investor**”) and Nation Mind Development Limited (“**NMDL**”), a wholly owned subsidiary of STDCL, pursuant to which NMDL will allot certain new shares to STDCL and the Investor (“**Share Allotment to the Investor**”) resulting in STDCL and the Investor holding 70% and 30% of equity interests in NMDL respectively. NMDL indirectly wholly owns 珠海橫琴信德房地產開發有限公司, an onshore project company and the developer of the mixed-use development to be developed on the Land.

To the best of the Company’s knowledge, information and belief having made all reasonable enquiry, the Investor and its ultimate beneficial owners are third parties independent of and not connected with the Company. Perennial Real Estate Holdings Pte. Ltd (“**PREH**”), one of the shareholders of the Investor, is also a major investor in a mixed-use property development in Tongzhou District of Beijing in which the Group has approximately 24% and 19.35% effective interest in the first and second phases of the development respectively (“**Beijing Tongzhou**”).

Pursuant to the Joint Venture Agreement, the Investor will pay an amount equivalent to approximately RMB 263 million comprising (a) the Share Allotment to the Investor; and (b) the assignment to the Investor of 30% of the shareholder loan advanced by STDCL to NMDL. Subject to audit, it is expected that there would be no material gain or loss to the Group on the formation of the joint venture with the Investor.

Upon completion of the Joint Venture Agreement, NMDL will be owned as to 70% by STDCL and as to 30% by the Investor.

REASONS AND BENEFITS OF ENTERING INTO THE JOINT VENTURE AGREEMENT

The mixed-use development on the Land is one of the major development projects of the Company in the PRC. Hengqin, designated as a special economic zone with a clear focus on leisure tourism, business service, financial service and cultural creativity, is expected to complement the expansion of Macau, and with it collectively forge an all-rounded lifestyle destination for all kinds of visitors. Located at the convenient junction node of these two regions, the Land will have direct access to the port and commercial facilities at the border between Hengqin and Macau and shall be located at the future transportation hub integrating with several railway networks from Guangzhou, Macau and Hengqin respectively. The Group believes that the Land can best capitalize upon future hub traffic through introducing an integrated mix of office, hotel, serviced apartment and commercial elements (“**Hengqin Development**”).

PREH is a fully integrated real estate company with capabilities in investment, development, asset management, property management and capital management. Headquartered in Singapore, PREH specializes in large mixed-use developments in Singapore and the PRC, many of which are connected to major transportation hubs. PREH currently has an interest in and manages a portfolio measuring over 5.6 million square metres in gross floor area in Beijing, Shenyang, Chengdu, Xi’an, Dalian and Foshan. The portfolio includes signature commercial integrated developments such as Beijing Tongzhou, Chengdu East High Speed Railway Integrated Development, Xi’an North High Speed Railway Integrated Development and Shenyang Longemont Integrated Development. In addition, PREH’s senior management team has extensive experience in developing and managing predominantly retail mixed-use developments in Singapore and the PRC.

Further to the joint venture alliance with PREH for the Beijing Tongzhou integrated development in 2012 in which the Group is one of the investors, the Company believes that partnering with PREH for the Hengqin Development will again enable both parties to leverage on the strength and expertise of each other to create a well-targeted integrated property. PREH is currently spearheading a number of similar projects in various fast-growing PRC cities, and their resourceful contribution in retail development, tenancy network and consumer dynamics are expected to bring significant value to the Hengqin Development.

GENERAL

The transaction contemplated under the Joint Venture Agreement does not constitute a notifiable transaction or a connected transaction of the Company under Chapter 14 and Chapter 14A of the Listing Rules. The Company is making this announcement on a voluntary basis in order to update its shareholders and investors on the recent development of the Group.

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

Hong Kong, 8 January, 2014

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.