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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

MAJOR TRANSACTIONS

ACQUISITION OF LAND USE RIGHTS IN SHANGHAI QIANTAN, THE PRC

ACQUISITION OF LAND USE RIGHTS

The Board is pleased to announce that, on 1 November 2016, HTDL, a wholly-owned subsidiary of the Company and the JV Partner 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.

HTDL will enter into a JV Agreement with the JV Partner shortly, 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. The Land Use Rights Grant Contract* in relation to the Acquisition is expected to be entered into before 1 February 2017.

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 Transactions are regarded as a Qualified Property Acquisition under Rule 14.04(10C) of the Listing Rules as it involves an acquisition of governmental land in the PRC from a PRC Governmental Body (as defined under Rule 19A.04 of the Listing Rules) through a tender, auction or listing-for-sale governed by PRC Law (as defined under Rule 19A.04 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 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.

The circular containing the information required under the Listing Rules in relation to the Transactions will be despatched to the Shareholders as soon as possible, which is expected to be on or before 22 November 2016.

ACQUISITION OF LAND USE RIGHTS

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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 art and cultural centre will be part of the commercial component; and the office component is allowed to be sold on a floor-to-floor 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”).

As At the date of this announcement, 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*.

HTDL will enter into a JV Agreement with the JV Partner shortly, 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. 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

- Parties : (i) HTDL; and
(ii) JV Partner
- Shareholding Structure : HTDL : 50%; and
JV Partner : 50%
- Registered Capital : RMB3,000 million (equivalent to approximately HK\$3,450 million)
- Total Capital Commitment : RMB6,000 million (equivalent to approximately HK\$6,900 million)
- The capital commitment to 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.

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 art and cultural centre, 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.

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.

REASONS FOR THE ACQUISITION

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.

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.

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 art and cultural centre. 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.

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 Transactions are regarded as a Qualified Property Acquisition under Rule 14.04(10C) of the Listing Rules as it involves an acquisition of governmental land in the PRC from a PRC Governmental Body (as defined under Rule 19A.04 of the Listing Rules) through a tender, auction or listing-for-sale governed by PRC Law (as defined under Rule 19A.04 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 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 is exempt from shareholders' approval requirements pursuant to Rule 14.33A of the Listing Rules.

The circular containing the information required under the Listing Rules in relation to the Transactions will be despatched to the Shareholders as soon as possible, which is expected to be on or before 22 November 2016.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below 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 to be 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 Land Use Rights Grant Contract*
“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
“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
“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

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

Hong Kong, 1 November 2016

As at the date of this announcement, the executive Directors of the Company are Dr. Stanley Ho, Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho, Mr. David Shum and Mr. Rogier Verhoeven; the non-executive Director is Mrs. Louise Mok; and the independent non-executive Directors are Mr. Norman Ho, Mr. Charles Ho, Mr. Michael Ng and Mr. Kevin Yip.

** For identification purpose only*