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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

**DISCLOSEABLE TRANSACTION
IN RELATION TO
THE AWARD OF MAIN CONTRACT FOR
CUSCADEN ROAD HOTEL PROJECT IN SINGAPORE**

On 13 July 2018, the Project Company, an indirect wholly-owned subsidiary of the Company and the developer of the Development, launched a tender for the Main Contract. Nakano won the tender for the Main Contract after taking into consideration that they have submitted a competitive tender price, their experience and their quality of work in other construction developments.

On 15 November 2018, the Project Company entered into the Main Contract with Nakano whereby Nakano is appointed as the main contractor for the construction of the Development. The contract sum is SGD89.5 million (approximately HKD510 million) excluding GST, being the tender price offered by Nakano.

As one of the applicable percentage ratios in respect of the Main Contract exceeds 5% but is less than 25%, the transaction contemplated under the Main Contract constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements but exempt from Shareholders' approval requirement.

THE AWARD OF THE MAIN CONTRACT FOR THE DEVELOPMENT

On 13 July 2018, the Project Company, an indirect wholly-owned subsidiary of the Company and the developer of the Development, launched a tender for the Main Contract. Nakano won the tender for the Main Contract after taking into consideration that they have submitted a competitive tender price, their experience and their quality of work in other construction developments.

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Major Terms of the Main Contract

<i>Date:</i>	15 November 2018
<i>Developer:</i>	The Project Company
<i>Main Contractor:</i>	Nakano
<i>Scope of Works:</i>	<p>Nakano, as the main contractor, shall be responsible for the design, development, construction, completion and maintenance work of the foundation, basements, superstructure, façade works, mechanical and electrical works, external works, etc.</p> <p>The construction shall be completed within 31 months from the commencement date of the works which is on or before 28 June 2021.</p>
<i>Contract Sum:</i>	The contract sum of the Main Contract is SGD89.5 million (approximately HKD510 million) excluding GST, payable by the Project Company to Nakano who shall make monthly payment claim on the 21st day of each month and subject to retention as stipulated in the conditions of contract. The first payment claim shall be submitted on 21 December 2018.
<i>Liquidated Damages:</i>	In case Nakano fails to complete the works under the Main Contract on time, Nakano shall be charged at a rate of SGD41,000 (approximately HKD233,700) per day.

Performance Bond: Performance of Nakano's obligations under the Main Contract is secured by a surety bond issued by a licensed bank in Singapore for a sum equal to 10% of the contract sum.

Additional Performance Bond: Performance of Nakano's obligations to enable the temporary occupation permit for the Development be obtained by 18 March 2021 under the Main Contract is secured by a surety bond issued by a licensed bank in Singapore for a sum equal to SGD1.2 million.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, Nakano is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

REASONS FOR THE MAIN CONTRACT

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.

The Project Company, the developer of the Development and an indirect wholly-owned subsidiary of the Company, is engaged in property development.

Nakano is a company incorporated in Singapore. Its principal activity is building construction.

The terms of the Main Contract, including the contract sum, were arrived at in a competitive tendering process. The Directors (including the independent non-executive Directors) consider that the entering into the Main Contract is in the ordinary and usual course of business of the Group, on normal commercial terms, and that the terms of the Main Contract are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As none of the Directors has a material interest in the Main Contract, none of the Directors was required to abstain from voting on the Board resolution approving the Main Contract and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in respect of the Main Contract exceeds 5% but is less than 25%, the transaction contemplated under the Main Contract constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements but exempt from Shareholders' approval requirement.

DEFINITIONS

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

“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)
“Development”	hotel development, located on Number 9 Cuscaden Road, Singapore with a site area of approximately 25,471 square feet
“Director(s)”	the director(s), including independent non-executive director(s), of the Company
“Group”	the Company together with its subsidiaries
“GST”	goods and services tax in Singapore
“HKD”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Contract”	a legally binding letter of acceptance dated 15 November 2018 executed by the Project Company, as the developer, and Nakano whereby Nakano is appointed as the main contractor for the construction of the Development

“Nakano”	Nakano Singapore (Pte.) Limited, a company incorporated in Singapore with limited liability
“Project Company”	Shun Tak Real Estate (Singapore) Pte. Ltd., the developer of the Development and a company incorporated in Singapore with limited liability and wholly-owned by the Company
“SGD”	Singapore Dollar, the lawful currency of Singapore
“Shareholder(s)”	the shareholder(s) of the Company
“Singapore”	the Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	Percent

For the purpose of this announcement, the currency exchange rate of SGD to Hong Kong dollar is SGD1 = HKD5.7.

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

Hong Kong, 15 November 2018

As at the date of this announcement, the executive Directors 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.