

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 TRANSACTIONS
RENEWAL OF TICKETING AGREEMENT WITH THE MID GROUP**

The Renewed Ticketing Agreement

Reference is made to the announcement of the Company dated 7 October 2016 regarding the Existing Ticketing Agreement executed between STCTSML and MRSL (formerly known as MPEL Services Limited) in respect of the sales of Ferry Tickets by STCTSML to the Melco Resorts Group. The Existing Ticketing Agreement will expire on 31 December 2018.

On 14 December 2018, STCTSML and MRSL entered into the Renewed Ticketing Agreement to set out the principal terms and conditions upon which STCTSML may, from time to time, sell to the MID Group and the MID Group may, from time to time, purchase from STCTSML, the Ferry Tickets for a further period of three years from 1 January 2019 to 31 December 2021.

Listing Rules Implications

Since MID is a majority-controlled company (as defined in the Listing Rules) of Mr. Ho, Lawrence Yau Lung, a family member of Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho who are all Directors, each of Mr. Ho, Lawrence Yau Lung, MID and its subsidiaries (including MRSL) is a connected person of the Company.

Therefore, the transactions contemplated under the Renewed Ticketing Agreement will constitute continuing connected transactions of the Company.

Since the annual caps in respect of the Ticket Sales Amounts under the Renewed Ticketing Agreement 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 Ticketing Agreement is therefore subject to reporting, annual review and announcement requirements but exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 7 October 2016 regarding the Existing Ticketing Agreement executed between STCTSML and MRSL (formerly known as MPEL Services Limited) in respect of the sales of Ferry Tickets by STCTSML to the Melco Resorts Group. The Existing Ticketing Agreement will expire on 31 December 2018.

On 14 December 2018, STCTSML and MRSL entered into the Renewed Ticketing Agreement to set out the principal terms and conditions upon which STCTSML may, from time to time, sell to the MID Group and the MID Group may, from time to time, purchase from STCTSML, the Ferry Tickets for a further period of three years from 1 January 2019 to 31 December 2021.

The Renewed Ticketing Agreement

Date	14 December 2018
Parties	STCTSML and MRSL
Term	The Renewed Ticketing Agreement will take effect from 1 January 2019 until 31 December 2021, renewable for periods of not more than three years by prior written notice and subject to an annual price review.

Pricing Policy

Pursuant to the Renewed Ticketing Agreement, the prices of Ferry Tickets shall be determined in accordance with the then prevailing market price offered to the general public with discount to be mutually agreed by the parties, generally having regard to the nature of business of the MID Group, the quantity, quality and specification of the products ordered and other special circumstances.

MID Group is one of the corporate clients of the STCTS Group holding gaming concession. The sale of Ferry Tickets at discount by the STCTS Group to gaming concessionaries is in the normal course of business to promote its passenger ferry service business.

Implementation Agreements, Contracts and Orders

STCTSML and member(s) of the MID Group may enter into separate implementation agreements, contracts or orders setting out the detailed terms for the sale and purchase of Ferry Tickets from time to time provided that such detailed terms shall not be inconsistent with terms of the Renewed Ticketing Agreement.

Historical Ticket Sales Amounts

Set out below are the historical Ticket Sales Amounts for the two years ended 31 December 2016 and 2017 and the ten months ended 31 October 2018:

	<i>HK\$' million</i>
Financial year ended 31 December 2016	29.5
Financial year ended 31 December 2017	30.1
Ten months period ended 31 October 2018	25.4

Proposed Annual Caps

Set out below are the proposed annual caps on the Ticket Sales Amounts for the three years ending 31 December 2019, 2020 and 2021 respectively:

	<i>HK\$' million</i>
Financial year ending 31 December 2019	31.0
Financial year ending 31 December 2020	32.0
Financial year ending 31 December 2021	34.0

The proposed annual caps in respect of the Ticket Sales Amounts are determined with reference to (i) the historical Ticket Sales Amounts; and (ii) the estimated number of Ferry Tickets to be purchased by the MID Group for the three years ending 31 December 2019, 2020 and 2021 after taking into account the general economic conditions and the passenger ferry market in the Pearl River Delta.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE RENEWED TICKETING AGREEMENT

The ongoing sales of Ferry Tickets to the MID Group will contribute to the passenger ferry service business of the Group.

The Directors (excluding the Abstained Directors) are of the view that the terms of the Renewed Ticketing Agreement and the transactions thereunder (including the annual caps) are fair and reasonable, the entering into of the Renewed Ticketing Agreement is in the ordinary and usual course of business of the Group, on normal commercial terms and in the interests in the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

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.

STCTSML is a wholly-owned subsidiary of STCTS, which in turn is an indirect non-wholly-owned subsidiary of the Company. The STCTS Group is the Group's shipping arm and is a major operator of passenger ferry services connecting Hong Kong, Macau and other ports in the Pearl River Delta.

MRSL is a wholly-owned subsidiary of Melco Resorts, which in turn is an indirect non-wholly-owned subsidiary of MID. The principal business of MRSL is provision of management services to the Melco Resorts Group.

Melco Resorts is principally engaged in business in the leisure, gaming and entertainment sectors. Melco Resorts has its American depositary shares listed on the NASDAQ Global Select Market in The United States of America.

MID, through its subsidiaries, is principally engaged in leisure, gaming and entertainment and other investments.

Since MID is a majority-controlled company (as defined in the Listing Rules) of Mr. Ho, Lawrence Yau Lung, a family member of Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho who are all Directors, each of Mr. Ho, Lawrence Yau Lung, MID and its subsidiaries (including MRSL) is a connected person of the Company. Therefore, the transactions contemplated under the Renewed Ticketing Agreement will constitute continuing connected transactions of the Company.

By virtue of Mr. Ho, Lawrence Yau Lung's interests in MRSL, the Abstained Directors are considered to have a material interest in the Renewed Ticketing Agreement and the transactions contemplated thereunder. Accordingly, the Abstained Directors have abstained from voting on the Board resolution(s) in respect of the Renewed Ticketing Agreement.

Since the annual caps in respect of the Ticket Sales Amounts under the Renewed Ticketing Agreement 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 Ticketing Agreement is therefore subject to reporting, annual review and announcement requirements but exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Abstained Directors”	being Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho who have not given any opinion and have abstained from voting on the Board resolution(s) in respect of the Renewed Ticketing Agreement by virtue of their family member's interests in MRSL
“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
“Existing Ticketing Agreement”	the ferry ticket sales framework agreement entered into between STCTSML and MRSL on 7 October 2016 to regulate the Ticket Sales
“Ferry Tickets”	tickets for the ferry services from and/or to Macau as operated by the STCTS Group
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, 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
“Macau”	the Macao Special Administrative Region of the People’s Republic of China
“Melco Resorts”	Melco Resorts & Entertainment Limited (formerly known as Melco Crown Entertainment Limited), a company incorporated in the Cayman Islands with limited liability and a subsidiary of MID, whose American depository shares are listed on the NASDAQ Global Select Market in The United States of America (Ticker Symbol “MLCO”)
“Melco Resorts Group”	Melco Resorts together with its subsidiaries (including MRSL)
“MID”	Melco International Development Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange (Stock Code: 200)
“MID Group”	MID together with its subsidiaries (including Melco Resorts and MRSL)
“MRSL”	Melco Resorts Services Limited (formerly known as MPEL Services Limited), a company incorporated in Hong Kong with limited liability, is a wholly-owned subsidiary of Melco Resorts and in turn is an indirect non-wholly-owned subsidiary of MID
“Renewed Ticketing Agreement”	the renewed ferry ticket sales framework agreement entered into between STCTSML and MRSL on 14 December 2018 to regulate the Ticket Sales
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“STCTS”	Shun Tak-China Travel Shipping Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect non-wholly-owned subsidiary of the Company

“STCTS Group”	STCTS together with its subsidiaries (including STCTSML)
“STCTSML”	Shun Tak-China Travel Ship Management Limited, a company incorporated in Hong Kong with limited liability, is a wholly-owned subsidiary of STCTS and in turn an indirect non-wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Ticket Sales”	the sales of Ferry Tickets pursuant to the Existing Ticketing Agreement and the Renewed Ticketing Agreement
“Ticket Sales Amounts”	the gross amounts of Ticket Sales

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

Hong Kong, 14 December 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.