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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 TRANSACTIONS
RENEWAL OF MASTER PRODUCTS AND SERVICES AGREEMENT
WITH THE STDM GROUP**

The Renewed Master Products and Services Agreement

Reference is made to the announcement of the Company dated 14 December 2015 regarding the Existing Master Products and Services Agreement.

As the Existing Master Products and Services Agreement was first entered into between the Company and STDM on 14 December 2015 and had expired on 31 December 2018, the Company is pleased to announce that the Company and STDM renewed the Existing Master Products and Services Agreement on 22 February 2019. The purpose of the Renewed Master Products and Services Agreement is to continue to set out a framework for the provision of Products and Services by the Group to the STDM Group, and vice versa, from time to time on a non-exclusive basis.

Listing Rules Implications

STDM, being a substantial shareholder of Interdragon, is a connected person of the Company at subsidiary level under the Listing Rules.

The transactions contemplated under the Renewed Master Products and Services Agreement will continue to be conducted on an ongoing basis for the next three years from 1 January 2019 to 31 December 2021 and will therefore constitute continuing connected transactions of the Company under the Listing Rules.

Since the applicable percentage ratios as defined in the Listing Rules (other than the profits ratio) as determined by reference to the annual caps in respect of the transactions under the Renewed Master Products and Services Agreement exceed 1%, the entering into of the Renewed Master Products and Services Agreement and the transactions contemplated thereunder are 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 14 December 2015 regarding the Existing Master Products and Services Agreement.

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THE RENEWED MASTER PRODUCTS AND SERVICES AGREEMENT

Date	22 February 2019
Parties	the Company and STDM
Term	From 1 January 2019 to 31 December 2021. Subject to compliance with the requirements of the Listing Rules, the Renewed Master Products and Services Agreement may be renewed by the parties before its termination.

The terms under the Renewed Master Products and Services Agreement are substantially the same as those under the Existing Master Products and Services Agreement.

The Products and Services

The Products and Services provided or to be provided by the Group to the STDM Group include:

- (i) Ferry Ticket Transactions;
- (ii) sale of travel and transportation products and provision of travel agency services including but not limited to hotel accommodation, cruise, taxi services and ticketing;

- (iii) provision of management and operation services to hotels and other hospitality properties and business owned by the STDM Group including but not limited to the Grand Lapa Hotel, the Grand Coloane Resort and the Macau Tower;
- (iv) provision of other property related services including but not limited to property management, sale, leasing, project management, cleaning and other services to various properties owned by STDM Group; and
- (v) provision of business support services including but not limited to laundry, company secretarial services, promotion and advertising, office administrative services and concierge services.

The Products and Services provided or to be provided by the STDM Group to the Group include:

- (vi) sale of travel products including but not limited to hotel accommodation, tourist spot tickets, local tour and helicopters tickets to the travel agency arm of the Group; and
- (vii) provision of business support services including but not limited to towage and associated marine operation services.

The provision of Products and Services by any member of the Group / the STDM Group is on a non-exclusive basis and any member of the Group / the STDM Group may provide products and services to other third parties.

Pricing Policies

Pursuant to the Renewed Master Products and Services Agreement, the Company and STDM agree that:

The provision of each relevant Product or Service by the Group / the STDM Group shall be set out in the relevant Products and Services Implementation Agreements, on normal commercial terms that are fair and reasonable and made with reference to the prevailing Market Price after arm's length negotiation between the relevant parties or, where there is no relevant Market Price, on terms negotiated between the relevant parties at arm's length.

The Products and Services Implementation Agreements

Each of the Company and STDM agrees to enter into the Products and Services Implementation Agreements which should set out the details of the terms and conditions for the provisions of Products and Services, including the specific product or service, quantity, price, duration and other relevant specifications.

All existing Products and Services Implementation Agreements shall remain in full force and effect notwithstanding the terms of the Renewed Master Products and Services Agreement. Any additional or renewal agreements may be constituted by the acceptance of price quotations, sales orders or other written documents as may be customary to ordinary business practice.

HISTORICAL TRANSACTION AMOUNTS AND ANNUAL CAPS

Set out below are the historical transaction amounts in respect of the provision of Products and Services by the Group to the STDM Group, and vice versa, for the two years ended 31 December 2016 and 2017 and the eleven months ended 30 November 2018 and the respective proposed annual caps (if applicable) for each transaction under the Renewed Master Products and Services Agreement for the next three years ending 31 December 2019, 2020 and 2021:

		Aggregate amount for the year ended 31 December 2016	Aggregate amount for the year ended 31 December 2017	Aggregate amount for the eleven months ended 30 November 2018	Proposed annual cap for the year ending 31 December 2019	Proposed annual cap for the year ending 31 December 2020	Proposed annual cap for the year ending 31 December 2021
<i>(HK\$ million)</i>							
Products and Services provided by the Group to the STDM Group							
(i)	Ferry Ticket Transactions	122.8	122.1	106.3	128.8	135.2	142.0
	Discount	<i>(Note)</i> (6.1)	(6.1)	(5.3)	N/A	N/A	N/A
(ii)	Travel and transportation services	<i>(Note)</i> 1.0	0.9	1.2	N/A	N/A	N/A
(iii)	Hospitality management services	<i>(Note)</i> 34.8	35.8	31.0	N/A	N/A	N/A
(iv)	Property - related services	<i>(Note)</i> 5.2	5.3	4.5	N/A	N/A	N/A
(v)	Business support services	<i>(Note)</i> 6.0	6.5	5.9	N/A	N/A	N/A

Aggregate amount for the year ended 31 December 2016	Aggregate amount for the year ended 31 December 2017	Aggregate amount for the eleven months ended 30 November 2018	Proposed annual cap for the year ending 31 December 2019	Proposed annual cap for the year ending 31 December 2020	Proposed annual cap for the year ending 31 December 2021
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(HK\$ million)

Products and Services provided by the STDM Group to the Group

(vi) Travel products and services	(Note)	16.2	19.9	20.1	N/A	N/A	N/A
(vii) Business support services	(Note)	0.1	0.1	0.8	N/A	N/A	N/A

Note: Since the applicable percentage ratios as defined in the Listing Rules (other than the profits ratio) as determined with reference to the expected aggregate value of each category of the above transactions other than category (i) for each of the three years ending 31 December 2019, 2020 and 2021 are less than 1%, no annual cap has been set for these transactions.

The proposed annual caps for the Ferry Ticket Transactions are determined with reference to (i) the historical amounts of the Ferry Tickets purchased by the STDM Group as contemplated under the Existing Master Products and Services Agreement for the two years ended 31 December 2016 and 2017 and the eleven months ended 30 November 2018; (ii) the estimated quantity of Ferry Tickets to be purchased by the STDM Group; and (iii) the estimated price of Ferry Tickets for each of the next three years ending 31 December 2019, 2020 and 2021 after taking into account the general economic conditions, tourism environment and passenger ferry market in the Pearl River Delta.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE RENEWED MASTER PRODUCTS AND SERVICES AGREEMENT

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.

STDM is a company incorporated in Macau and has diverse business interests predominantly based in Macau including holding interest in hotels and Macau Tower, property investment, aviation, retail and hospitality. STDM Group has been one of the largest customers for the Ferry Tickets a number of years. The ongoing sale of Ferry Tickets to the STDM Group in bulk quantity at a discount will continue to provide a stable and important source of income to STCTS.

The Renewed Master Products and Services Agreement provides a framework for the Products and Services which may be provided / demanded by the Group to / from the STDM Group from time to time on a non-exclusive basis.

The transactions contemplated under the Renewed Master Products and Services Agreement and the Products and Services Implementation Agreements take place in the ordinary and usual course of business of the Group.

LISTING RULES IMPLICATIONS

STDM, being a substantial shareholder of Interdragon, is a connected person of the Company at subsidiary level under the Listing Rules.

The transactions contemplated under the Renewed Master Products and Services Agreement will continue to be conducted on an ongoing basis for the next three years from 1 January 2019 to 31 December 2021 and will therefore constitute continuing connected transactions of the Company under the Listing Rules.

Since the applicable percentage ratios as defined in the Listing Rules (other than the profits ratio) as determined by reference to the annual caps in respect of the transactions under the Renewed Master Products and Services Agreement exceed 1%, the entering into of the Renewed Master Products and Services Agreement and the transactions contemplated thereunder are subject to reporting, annual review and announcement requirements but exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Directors (excluding the Abstained Directors) are of the view that the Renewed Master Products and Services Agreement and the transactions contemplated thereunder (including the annual caps) are entered into in the ordinary and usual course of business of the Company, on normal commercial terms and on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

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, Ms. Maisy Ho and Mr. David Shum who have not given any opinion and have abstained from voting on the Board resolutions in respect of the Renewed Master Products and Services Agreement in view of their respective interests in STDM
“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 Master Products and Services Agreement”	the agreement entered into between the Company and STDM on 14 December 2015 for setting up a framework in respect of the provision of Products and Services by the Group / the STDM Group to the STDM Group / the Group
“Ferry Ticket Transactions”	the bulk purchase of Ferry Tickets by STDM Group from the Group at a discount to be mutually agreed by the STDM Group and the Group from time to time for its own account
“Ferry Tickets”	tickets for the ferry services operated by the Group
“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 the People’s Republic of China
“Independent Third Party(ies)”	independent third party(ies) who is / are independent of and not connected with the Company and / or STDM
“Interdragon”	Interdragon Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect non wholly-owned subsidiary of the Company, in which the Company indirectly owns 60% and STDM owns 40%
“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
“Macau Tower”	Macau Tower Convention & Entertainment Centre

“Market Price”	the price charged by Independent Third Parties for the provision of the same or comparable type of products or services in the place where such products or services are provided or in the vicinities thereof in the ordinary course of business
“Products and Services”	products and services provided pursuant to the Renewed Master Products and Services Agreement and the Products and Services Implementation Agreements, details of which are set out in the paragraph headed “The Renewed Master Products and Services Agreement”
“Products and Services Implementation Agreements”	the implementation agreements which have been / to be entered into between members of the Group and members of the STDM Group in respect of the provision of Products and Services pursuant to the Renewed Master Products and Services Agreement
“Renewed Master Products and Services Agreement”	the renewed master products and services agreement dated 22 February 2019 entered into between the Company and STDM for setting up a framework in respect of the provision of Products and Services by the Group / the STDM Group to the STDM Group / the Group
“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, with 71% of its issued share capital directly owned by Interdragon
“STDM”	Sociedade de Turismo e Diversões de Macau, S.A., a company incorporated in Macau
“STDM Group”	STDM together with its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 22 February 2019

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.