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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>**

**DISCLOSEABLE TRANSACTIONS**

**(1) ACQUISITION OF THE NMDL SALE SHARES**

**(2) DISPOSAL OF THE PTH SALE SHARES**

**THE ACQUISITION**

On 22 December 2020, STDCL (a wholly-owned subsidiary of the Company) and PHIG (a non-wholly owned subsidiary of PREH) entered into the NMDL Agreement, pursuant to which, amongst others, STDCL conditionally agreed to acquire, and PHIG conditionally agreed to sell, the NMDL Sale Shares and the Shareholder's Loan at the Acquisition Consideration of RMB928,073,642 in accordance with the terms and conditions of the NMDL Agreement. The NMDL Sale Shares, being 300 NMDL Shares (representing 30% of the total issued NMDL Shares), shall be entitled to a pro rata share of the profits and net assets of NMDL, which indirectly wholly owns the Zhuhai Project Company, which indirectly wholly owns and is the developer of the Hengqin Development.

## **THE DISPOSAL**

On 22 December 2020, ANDL (a wholly-owned subsidiary of the Company), PCIH (a wholly-owned subsidiary of PREH) and SFHL entered into the PTH Agreement, pursuant to which, amongst others, PCIH and SFHL conditionally agreed to acquire, and ANDL conditionally agreed to sell, the PTH Sale Shares I (being 61,796 PTH Shares) for the Disposal Consideration I of RMB652,164,150 and PTH Sale Shares II (being 30,894 PTH Shares) for the Disposal Consideration II of RMB326,033,165 in accordance with the terms and conditions of the PTH Agreement, respectively. Each of the PTH Sale Shares I (representing approximately 25.8% of the total issued PTH Shares and approximately 66.7% of the PTH Total Sale Shares) and PTH Sale Shares II (representing approximately 12.9% of the total issued PTH Shares and approximately 33.3% of the PTH Total Sale Shares), shall be entitled to the respective pro rata share of the profits and net assets of PTH, which holds an effective interest of 19.35% of the Tongzhou Development through the Tongzhou Project Companies which act as the developers of the Tongzhou Development.

## **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios in respect of the transactions contemplated under each of the NMDL Agreement is more than 5% but less than 25%, the entering into of the NMDL Agreement constitutes a discloseable transaction of the Company which is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As one of the applicable percentage ratios in respect of the transactions contemplated under each of the PTH Agreement is more than 5% but less than 25%, the entering into of the PTH Agreement constitutes a discloseable transaction of the Company which is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **THE ACQUISITION**

On 22 December 2020, STDCL (a wholly-owned subsidiary of the Company) and PHIG (a non-wholly owned subsidiary of PREH) entered into the NMDL Agreement, pursuant to which, amongst others, STDCL conditionally agreed to acquire, and PHIG conditionally agreed to sell, the NMDL Sale Shares and the Shareholder's Loan in accordance with the terms and conditions of the NMDL Agreement.

The principal terms of the NMDL Agreement are set out below:

## **THE NMDL AGREEMENT**

### **Date**

22 December 2020

### **Parties**

- (1) STDCL, an indirect wholly-owned subsidiary of the Company; and
- (2) PHIG.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, PHIG and its ultimate holding company, are Independent Third Parties.

### **Subject matter**

STDCL conditionally agreed to acquire, and PHIG conditionally agreed to sell, the NMDL Sale Shares, being 300 NMDL Shares, and the Shareholder's Loan in accordance with the terms and subject to the conditions of the NMDL Agreement. For details of the NMDL Sale Shares, please refer to the section headed "Information on NMDL and the Hengqin Development" below.

### **Acquisition Consideration**

The Acquisition Consideration shall be of an aggregate amount of RMB928,073,642 comprising the consideration for the NMDL Sale Shares of RMB550,073,642 and RMB378,000,000 for the Shareholder's Loan. The Acquisition Consideration shall be payable by STDCL to PHIG at completion (after deducting the estimated amount of PRC withholding tax payable by PHIG relating to the transfer of the NMDL Shares).

### **Basis of the Acquisition Consideration**

The Acquisition Consideration for the NMDL Sale Shares was determined after arm's length negotiations between STDCL and PHIG, and with reference to a number of factors including but not limited to (i) the current market value and condition of the Hengqin Development and its future prospect; (ii) the total assets and liabilities of the NMDL Group other than the Hengqin Development; (iii) the equity interest in NMDL that is represented by the NMDL Sale Shares and (iv) the amount of the Shareholder's Loan.

The Shareholder's Loan of RMB378,000,000 is the amount due to PHIG by NMDL as at the date of the NMDL Agreement.

### **Conditions Precedent**

Completion of the Acquisition is conditional on the fulfilment or waiver of the following conditions:

- (a) PHIG's warranties as set out in the NMDL Agreement remaining true and accurate and not misleading in any material respect as if they were repeated at the NMDL Completion by reference to the facts and circumstances then existing; and
- (b) all of the conditions precedent to the PTH Agreement having been satisfied or waived in accordance with the terms of the PTH Agreement (except for the condition requiring the NMDL Agreement to become unconditional).

STDCL may, at its discretion, waive the condition as set out in paragraph (a) above by notice in writing to PHIG, whereas the condition as set out in paragraph (b) above may be waived (in whole or in part and conditionally or unconditionally) only with the written consents of both STDCL and PHIG.

The above conditions are expected to be satisfied on or before the NMDL End Date. If any of the conditions has not been satisfied by then, the NMDL Agreement shall be terminated and no party shall have any claim against the other party, except in respect of any antecedent breach of the NMDL Agreement.

### **Completion**

Completion of the Acquisition shall take place on the later of (i) 28 December 2020 or (ii) the next Business Day after the date on which all the conditions precedent are fulfilled or waived, or, such other date as STDCL and PHIG may agree in writing.

## **THE DISPOSAL**

On 22 December 2020, ANDL (a wholly-owned subsidiary of the Company), PCIH (a wholly-owned subsidiary of PREH) and SFHL entered into the PTH Agreement, pursuant to which, amongst others, PCIH and SFHL conditionally agreed to acquire, and ANDL conditionally agreed to sell, the PTH Sale Shares I for the Disposal Consideration I of RMB652,164,150 and the PTH Sale Shares II for the Disposal Consideration II of RMB326,033,165, respectively, in accordance with the terms and conditions of the PTH Agreement.

## **THE PTH AGREEMENT**

### **Date**

22 December 2020

### **Parties**

- (1) ANDL, an indirect wholly-owned subsidiary of the Company;
- (2) PCIH; and
- (3) SFHL.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, PCIH, SFHL and each of their ultimate holding company, are Independent Third Parties.

### **Subject matter**

PCIH and SFHL conditionally agreed to acquire, and ANDL conditionally agreed to sell, the PTH Sale Shares I (being 61,796 PTH Shares) and PTH Sale Shares II (being 30,894 PTH Shares) in accordance with the terms and subject to the conditions of the PTH Agreement, respectively. For details of the PTH Sale Shares, please refer to the section headed "Information on PTH and the Tongzhou Development" below.

## **Consideration**

The consideration for the Disposal shall be of an aggregate amount of RMB652,164,150 for the PTH Sale Shares I and an aggregate amount of RMB326,033,165 for the PTH Sale Shares II. The Disposal Consideration I and the Disposal Consideration II shall be payable by PCIH and SFHL to ANDL as follows, respectively:

- (a) a sum of RMB608,746,197 and a sum of RMB304,327,445, which shall be payable by PCIH and SFHL to ANDL on the PTH Completion Date, respectively, after deducting the estimated amount of PRC withholding tax payable by ANDL relating to the transfer of the PTH Sale Shares; and
- (b) a sum of RMB43,417,953 and a sum of RMB21,705,720, representing the remaining balance of the Disposal Consideration I and the Disposal Consideration II, which shall be payable by PCIH and SFHL to ANDL on 22 December 2023 (or such earlier date as PCIH and SFHL may determine and notify ANDL), respectively.

## **Basis of the Disposal Consideration**

The Disposal Consideration I for the PTH Sale Shares I and the Disposal Consideration II for the PTH Sale Shares II were determined after arm's length negotiations between ANDL, PCIH and SFHL, respectively, and with reference to a number of factors including but not limited to the relevant proportion of (i) the current market value and condition of the Tongzhou Development and its future prospect; (ii) the total assets and liabilities of the PTH Group other than the Tongzhou Development; and (iii) the equity interest in PTH that is represented by the PTH Sale Shares.

## **Conditions Precedent**

Completion of the Disposal is conditional on the fulfilment or waiver of the following conditions:

- (a) ANDL having obtained all necessary consents from the other shareholders of PTH pursuant to the JV Agreement which are required for the execution and performance of the PTH Agreement and the transactions contemplated hereunder, and such consents not being revoked, withdrawn or modified prior to the PTH Completion;

- (b) ANDL's warranties as set out in the PTH Agreement remaining true and accurate and not misleading in material respect as if they were repeated at the PTH Completion by reference to the facts and circumstances then existing; and
- (c) all of the conditions precedent to the NMDL Agreement having been satisfied or waived in accordance with the terms of the NMDL Agreement (except for the condition requiring the PTH Agreement to become unconditional).

PCIH and SFHL may, at their discretion, waive the condition as set out in paragraph (b) above (in whole or in part and conditionally or unconditionally) by notice in writing to ANDL, whereas the condition as set out in paragraph (a) above may be waived (in whole or in part and conditionally or unconditionally) only with the written consent of both ANDL and PCIH and the condition as set out in paragraph (c) above may be waived (in whole or in part and conditionally or unconditionally) only with the written consent of all of ANDL, PCIH and SFHL.

The above conditions are expected to be satisfied on or before the PTH End Date. If any of the conditions has not been satisfied by then, the PTH Agreement shall be terminated and no party shall have any claim against any other party, except in respect of any antecedent breach of the PTH Agreement.

### **Completion**

Completion of the Disposal shall take place on the later of (i) 28 December 2020 or (ii) the next Business Day after the date on which all the conditions precedent are fulfilled or waived, or, such other date as ANDL, PCIH and SFHL may agree in writing. As the PTH Agreement and the NMDL Agreement are inter-conditional, it is expected that completion of the Disposal and that of the Acquisition shall take place simultaneously.

### **REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE DISPOSAL**

The Hengqin Development is one of the major development projects of the Company in the PRC for mixed-use development through its shareholding in NMDL, the development of which commenced in December 2014 by the Zhuhai Project Company. The Hengqin district forms part of the Guangdong Pilot Free Trade Zone and the Greater Bay Area with a clear focus on leisure tourism, business services, financial services, developing innovative businesses and cultural creativities, is expected to complement the expansion of Macau, and with it collectively forge an all-rounded lifestyle and business destination for all kinds of visitors. Located

adjacent to Hengqin Port, the Hengqin Development has direct access to the port and commercial facilities at the border between Hengqin and Macau and is located at the transportation hub integrating with several railway networks from Guangzhou and beyond, Zhuhai and Macau (under planning).

The Company believes that with the acquisition of the remaining 30% equity interest in NDML, the Group shall enable it to exercise sole discretion in managing the development of the Hengqin Development as a well-targeted integrated property to maximize its potential value by leveraging on the Group's industry expertise and market knowledge in retail development and asset management, hospitality management, commercial leasing, market network and dynamics in the PRC and Macau and to best capitalise upon the hub traffic through introducing an integrated mix of office, hotel, apartment and commercial elements.

The Tongzhou Development has been an investment of the Group since 2013. The Company believes that the Disposal would allow the Group to realise the accumulated capital appreciation of the Tongzhou Development and concentrate its resources on developing its existing PRC projects as well as to explore other new potential investment opportunities.

Taking into consideration the reasons for and benefits of the Acquisition and the Disposal to the Company, the Directors are of the view that the terms of the NMDL Agreement and the PTH Agreement and the transactions contemplated in the respective agreement, including the basis of calculation of the Acquisition Consideration and the Disposal Consideration which have been reached after arm's length negotiations among the parties, are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

None of the Directors has any material interest in the NMDL Agreement and the PTH Agreement and the transactions contemplated thereunder, and none of the Directors has abstained from voting on the board resolution approving the NMDL Agreement and the PTH Agreement and the transactions contemplated thereunder.



## Financial information of the NMDL Group

Set out below is the financial information of the NMDL Group based on its consolidated accounts:

	<b>For the year ended 31 December 2018</b>	<b>For the year ended 31 December 2019</b>
	<i>HK\$ millions</i>	<i>HK\$ millions</i>
Net profit before taxation	69.3	25.2
Net profit after taxation	69.1	25.1

As at 30 September 2020, the unaudited net liabilities of the NMDL Group was approximately HK\$15.7 million.

As at the date of this announcement, the Group (through STDCL) owns 70% of the total issued NMDL Shares and NMDL is the Group's non-wholly owned subsidiary. Upon completion of the Acquisition, the Group will hold all of the total issued NMDL Shares and NMDL will become the Company's indirect wholly-owned subsidiary. The financial results of the NMDL Group will continue to be consolidated into the financial statements of the Group.

## Financial information of the PTH Group

Set out below is the financial information of the PTH Group based on its consolidated accounts:

	<b>For the year ended 31 December 2018</b>	<b>For the year ended 31 December 2019</b>
	<i>S\$ millions</i>	<i>S\$ millions</i>
Net profit/(loss) before taxation	0.01	(0.01)
Net profit/(loss) after taxation	0.01	(0.01)

As at 30 September 2020, the unaudited net assets of the PTH Group was approximately S\$239.4 million.

As at the date of this announcement, the Group (through ANDL) owns approximately 38.7% of the total issued PTH Shares. Upon completion of the Disposal, the Group will cease to own any PTH Shares.

## **INFORMATION ON THE PARTIES**

### **Information on the Company, STDCL and ANDL**

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.

STDCL is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company. STDCL is principally engaged in investment holding.

ANDL is a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company. ANDL is principally engaged in investment holding.

### **Information on PHIG, PCIH and PREH**

PHIG is a company incorporated in Singapore with limited liability. PHIG is principally engaged in investment holding and a non-wholly owned subsidiary of PREH (which is owned as to approximately 66.7% and approximately 33.3% by PREH and SFHL, respectively, as at the date of this announcement).

PCIH is a company incorporated in Singapore with limited liability. PCIH is principally engaged in investment holding and a wholly-owned subsidiary of PREH.

PREH is a company incorporated in Singapore with limited liability. PREH is an integrated real estate and healthcare headquartered in Singapore.

### **Information on NMDL and the Hengqin Development**

NMDL is a company incorporated in Hong Kong with limited liability. As at the date of this announcement, each of STDCL and PHIG owns 70% and 30% of the total issued NMDL Shares. Upon the NMDL Completion, PHIG will cease to own any issued NMDL Shares and STDCL will become the sole shareholder of NMDL.

The Hengqin Development comprises office, hotel, retail and apartment components to be erected on Plots Zhu Heng Guo Tu Chu (珠橫國土儲) No. 2013-04 located in Hengqin New District, Zhuhai, the PRC.

## **Information on SFHL**

SFHL is a company incorporated in Singapore with limited liability. SFHL is principally engaged in property investment. As at the date of this announcement, it is interested in approximately 33.3% of the total issued shares of PHIG.

## **Information on PTH and the Tongzhou Development**

PTH is a company incorporated in Singapore with limited liability. PTH is principally engaged in investment holding. As at the date of this announcement, each of ANDL and PCIH owns approximately 38.7% and approximately 46.6% of the total issued PTH Shares. Upon the PTH Completion, ANDL will cease to own any issued PTH Shares and each of PCIH and SFHL will own PTH as to approximately 72.4% and approximately 12.9%.

The Tongzhou Development comprises residence, office and retail properties to be erected on Plots 10, 11 and 12 located in the Core Canal Zone, Tongzhou District, Beijing, PRC, the development of which began pursuant to the JV Agreement in 2013.

## **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios in respect of the transactions contemplated under each of the NMDL Agreement is more than 5% but less than 25%, the entering into of the NMDL Agreement constitutes a discloseable transaction of the Company which is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As one of the applicable percentage ratios in respect of the transactions contemplated under each of the PTH Agreement is more than 5% but less than 25%, the entering into of the PTH Agreement constitutes a discloseable transaction of the Company which is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“Acquisition”	the acquisition of the NMDL Sale Shares by STDCL from PHIG pursuant to the terms and conditions of the NMDL Agreement
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“Acquisition Consideration”	RMB928,073,642
“ANDL”	Ace Novel Developments Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday or Sunday or public holiday) on which Hong Kong and Singapore clearing banks are open for the transaction of normal banking business
“Company”	Shun Tak Holdings Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 242)
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the PTH Sale Shares by ANDL to PREH pursuant to the PTH Agreement
“Disposal Consideration”	Disposal Consideration I and Disposal Consideration II
“Disposal Consideration I”	RMB652,164,150
“Disposal Consideration II”	RMB326,033,165
“Hengqin Development”	the mixed-use development comprising office, hotel, retail and apartment components to be erected on Plots Zhu Heng Guo Tu Chu (珠橫國土儲) No. 2013-04 located in Hengqin New District, Zhuhai, the PRC, which has a site area of approximately 23,834 square meters and a gross floor area of approximately 135,659 square meters excluding the common areas, carpark and electrical and mechanical basement areas
“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) not connected with the Company or its connected persons
“JV Agreement”	the joint venture agreement dated 15 April 2013 entered into between PREH, ANDL, PTH and other shareholders
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NMDL”	Nation Mind Development Limited, a company incorporated in Hong Kong with limited liability
“NMDL Agreement”	the sale and purchase agreement dated 22 December 2020 entered into between STDCL and PHIG in respect of the Acquisition
“NMDL Completion”	completion of the Acquisition in accordance with the terms and conditions of the NMDL Agreement
“NMDL End Date”	30 December 2020 or such later date as STDCL and PHIG may agree in writing
“NMDL Group”	NMDL and its subsidiaries
“NMDL Sale Shares”	300 NMDL Shares, representing 30% of the total issued NMDL Shares as at the date of this announcement
“NMDL Shares”	shares in the capital of NMDL
“PCIH”	Perennial China Investment Holdings Pte. Ltd., a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of PREH
“PHIG”	Perennial Hengqin Investment Group Pte. Ltd., a company incorporated in Singapore with limited liability and a non-wholly owned subsidiary of PREH
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan

“PREH”	Perennial Real Estate Holdings Pte. Ltd., a company incorporated in Singapore with limited liability
“PTH”	Perennial Tongzhou Holdings Pte. Ltd., a company incorporated in Singapore with limited liability
“PTH Agreement”	the sale and purchase agreement dated 22 December 2020 entered into between ANDL, PCIH and SFHL in relation to the Disposal
“PTH Completion”	completion of the Disposal in accordance with the terms and conditions of the PTH Agreement
“PTH Completion Date”	the later of (i) 28 December 2020 or (ii) the next Business Day after the date on which all the conditions precedent to the PTH Agreement are fulfilled or waived, or, such other date as ANDL, PCIH and SFHL may agree in writing
“PTH End Date”	30 December 2020 or such later date as ANDL, PCIH and SFHL may agree in writing
“PTH Group”	PTH and its subsidiaries
“PTH Sale Shares I”	61,796 PTH Shares, representing approximately (i) 25.8% of the total issued PTH Shares as at the date of this announcement and (ii) 66.7% of the PTH Total Sale Shares
“PTH Sale Shares II”	30,894 PTH Shares, representing approximately (i) 12.9% of the total issued PTH Shares as at the date of this announcement and (ii) 33.3% of the PTH Total Sale Shares
“PTH Shares”	shares in the capital of PTH
“PTH Total Sale Shares”	PTH Sale Shares I and PTH Sale Shares II (being an aggregate of 92,690 PTH Shares, representing approximately 38.7% of the total issued PTH Shares as at the date of this announcement shares), being the total PTH Shares to be sold by ANDL pursuant to the PTH Agreement
“RMB”	Renminbi, the lawful currency of the PRC

“SFHL”	Shun Fung Holdings (Private) Limited, a company incorporated in the Republic of Singapore with limited liability
“Share(s)”	share(s) of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Shareholder’s Loan”	the amount due to PHIG by NMDL as at the date of the NMDL Agreement
“Singapore”	the Republic of Singapore
“STDCL”	Shun Tak Development (China) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company and an immediate holding company of ANDL
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tongzhou Development”	the mixed-use development comprising residence, office and retail properties to be erected on Plots 10, 11 and 12 located in the Core Canal Zone, Tongzhou District, Beijing, PRC, which has a total gross floor area of approximately 368,625 square meters including all of the components
“Tongzhou Project Companies”	Perennial Tongzhou Development 4 Pte. Ltd., Tongzhou Bayfront Development Pte. Ltd. and Tongzhou Yun He Development Pte. Ltd., which are companies incorporated in Singapore with limited liability
“Zhuhai Project Company”	Zhuhai Hengqin Shun Tak Property Development Company Limited* (珠海橫琴信德房地產開發有限公司), the developer of the Hengqin Development, a company incorporated in the PRC with limited liability and an indirectly non-wholly owned subsidiary of the Company which is owned as to 70% indirectly by the Company through NMDL as at the date of this announcement
“%”	per cent.

\* *For identification purpose only*

*In this announcement, unless the context otherwise requires, the terms “applicable percentage ratio”, “connected person(s)” and “subsidiary(ies)” shall have the meanings given to such terms in the Listing Rules, as modified by the Stock Exchange from time to time.*

*Certain amounts and percentage figures set out in this announcement have been subject to rounding adjustments.*

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

Hong Kong, 22 December 2020

*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.*