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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 PROVISION OF
FINANCIAL ASSISTANCE
TO AN ASSOCIATE**

SHAREHOLDERS' LOAN COMMITMENT

On 15 December 2022, the Company committed to provide additional shareholders' loans to STCT, in proportion to its shareholding interests in STCT, of up to HK\$85 million.

LISTING RULES IMPLICATIONS

As disclosed in the Announcement, the Company has previously committed to provide unsecured shareholders' loans to STCT, in proportion to its shareholding interests in STCT, of up to HK\$180 million. As at the date of this announcement, the Outstanding Shareholders' Loans were amounted to approximately HK\$165.5 million. Earlier in January 2022, the Company provided the Corporate Guarantee in favour of China CITIC Bank for up to 50% of the total principal amount of the Renewed Facility granted to STCT (i.e. HK\$200 million) and its related interests and other costs.

As the Shareholders' Loan Commitment, the Outstanding Shareholders' Loans and the Corporate Guarantee are financial assistance committed to be provided to STCT by the Company within a 12-month period or otherwise related, they are required to be aggregated pursuant to Rule 14.22 of the Listing Rules. As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceeds 5% but all are less than 25%, the provision of the Shareholders' Loan Commitment, when aggregated with the Outstanding Shareholders' Loans and the Corporate Guarantee, constitutes a discloseable transaction for the Company, and is therefore subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

Reference is made to the Announcement relating to, among others, the corporate guarantee provided by the Company in connection with the Facility and the commitment of up to HK\$180 million shareholders' loans provided by the Company to STCT.

SHAREHOLDERS' LOAN COMMITMENT AND OUTSTANDING SHAREHOLDERS' LOANS

On 15 December 2022, the Company committed to provide additional shareholders' loans to STCT, in proportion to its shareholding interests in STCT, of up to HK\$85 million.

Of the Shareholders' Loan Commitment, (i) an unsecured 3-year term loan of HK\$33 million would be provided at an interest rate of 2.8% per annum; and (ii) the balance of the unsecured shareholders' loans of up to HK\$52 million would be provided with no fixed term of repayment and at an interest rate calculated with reference to the costs of funding at the time of the provision of the shareholders' loans as agreed between the Company and STCT. The principal amount and other terms of the Shareholders' Loan Commitment (including the interest rates) were agreed upon by the shareholders and STCT and having regard to, among other things, the prevailing market terms of transactions of similar nature, the tenor of the loans and the financial conditions and needs of STCT. The Company will finance the shareholders' loans by its internal resources.

As disclosed in the Announcement, the Company has previously committed to provide unsecured shareholders' loans to STCT, in proportion to its shareholding interests in STCT, of up to HK\$180 million. As at the date of this announcement, the Outstanding Shareholders' Loans were amounted to approximately HK\$165.5 million.

CORPORATE GUARANTEE

Earlier in January 2022, the Company provided the Corporate Guarantee in favour of China CITIC Bank in support of the Renewed Facility granted to STCT by China CITIC Bank. The Renewed Facility is a HK\$400 million revolving loan facility with an interest rate of HIBOR plus a margin of 1.5% per annum and a fixed term of one year. The Corporate Guarantee was provided by the Company in proportion to its shareholding interests in STCT for up to 50% of the total principal amount of the Renewed Facility granted to STCT (i.e. HK\$200 million) and its related interests and other costs. The Renewed Facility was used to refinance the Facility granted to STCT by China CITIC Bank in 2021, details of which are disclosed in the Announcement.

As all of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Corporate Guarantee were below 5% at the relevant time, the provision of the Corporate Guarantee did not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

REASONS FOR AND BENEFITS OF THE PROVISION OF FINANCIAL ASSISTANCE

The pandemic situation continues to impede the reopening of the borders among Hong Kong, Macau and Mainland China. STCT, which is principally engaged in the provision of cross boundary transportation services in the Greater Pearl River Delta Region, has been greatly affected by the suspension of its cross-border transportation services since the beginning of 2020. During the period, STCT has been relying on the support of its two shareholders, including the provision of shareholders' loans and corporate guarantees in support of its external bank loan, in order to provide working capital for its daily operation and maintenance needs. The Directors believe that the provision of the additional Shareholders' Loan Commitment, as well as the Outstanding Shareholders' Loans and the Corporate Guarantee, are essential to STCT to maintain its liquidity and would enable STCT to resume its operation quickly when the borders reopen.

Taking into consideration the reasons for and benefits of the provision of the Shareholders' Loan Commitment and that it is provided in proportion to its shareholding interests in STCT, the Directors (including the independent non-executive Directors) are of the view that the terms of the Shareholders' Loan Commitment are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. None of the Directors had any material interest in the provision of the Shareholders' Loan Commitment nor was required to abstain from participating in the passing of the relevant resolutions.

LISTING RULES IMPLICATIONS

As the Shareholders' Loan Commitment, the Outstanding Shareholders' Loans and the Corporate Guarantee are financial assistance committed to be provided to STCT by the Company within a 12-month period or otherwise related, they are required to be aggregated pursuant to Rule 14.22 of the Listing Rules. As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceeds 5% but all are less than 25%, the provision of the Shareholders' Loan Commitment, when aggregated with the Outstanding Shareholders' Loans and the Corporate Guarantee, constitutes a discloseable transaction of the Company, and is therefore subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

GENERAL INFORMATION OF THE PARTIES

The Company

The Company is an investment holding company and the Group is engaged in a number of business activities including property development, investment and management, hospitality, transportation and investments.

STCT and its shareholders

STCT is a company incorporated in the BVI with limited liability and, together with its subsidiaries, is engaged in the provision of cross boundary transportation services in the Greater Pearl River Delta Region. As at the date of this announcement, STCT is held as to 50% by the Company and 50% by CTII, respectively. CTII is a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 308). CTII and its subsidiaries are principally engaged in the operations of travel destinations, travel agency, travel documents and related operations, as well as passenger transportation operations.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, CTII and its ultimate controlling shareholders are Independent Third Parties of the Company.

China CITIC Bank

China CITIC Bank is an indirect non-wholly-owned subsidiary of China CITIC Bank Corporation Limited, which in turn is a joint stock commercial bank incorporated under the laws of the People's Republic of China with limited liability whose A shares and H shares are listed on the Shanghai Stock Exchange (Stock Code: 601998) and the Main Board of the Stock Exchange (Stock Code: 998), respectively.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, China CITIC Bank and its ultimate controlling shareholders are Independent Third Parties of the Company.

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 19 January 2021 relating to, among others, the corporate guarantee provided by the Company in connection with the Facility and the commitment of up to HK\$180 million shareholders' loans provided by the Company to STCT
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“China CITIC Bank”	China CITIC Bank International Limited (中信銀行(國際)有限公司)
“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)
“Corporate Guarantee”	the guarantee and indemnity provided by the Company in favour of China CITIC Bank for up to 50% of the total principal amount of the Renewed Facility granted to STCT (i.e. HK\$200 million) and its related interests and other costs
“CTII”	China Travel International Investment Hong Kong Limited (香港中旅國際投資有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 308)

“Director(s)”	the director(s), including independent non-executive director(s), of the Company
“Facility”	the HK\$400 million 1-year revolving loan facility provided by China CITIC Bank to STCT under the facility agreement dated 19 January 2021
“Group”	the Company and its subsidiaries
“HIBOR”	Hong Kong Interbank Offered Rate
“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 (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Outstanding Shareholders’ Loans”	the previous shareholders’ loans amounted to approximately HK\$165.5 million provided by the Company to STCT which remain outstanding as at the date of this announcement and details of which are set out in the Announcement
“Renewed Facility”	the HK\$400 million 1-year revolving loan facility provided by China CITIC Bank to STCT under the facility agreement dated 26 January 2022 entered into between STCT (as borrower), China CITIC Bank (as lender), and the Company and CTII (as guarantors on a several basis)
“Shareholder(s)”	holder(s) of the ordinary share(s) of the Company
“Shareholders’ Loan Commitment”	the Company’s commitment of providing additional unsecured shareholders’ loans of up to HK\$85 million to STCT in proportion to its shareholding interests in STCT

“STCT”	Shun Tak – China Travel Shipping Investments Limited, a company incorporated in the BVI with limited liability, which is held as to 50% by the Company and 50% by CTII, respectively
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percent

In this announcement, unless the context otherwise requires, the terms “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.

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

Hong Kong, 15 December 2022

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