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

INTRODUCTION

Reference is made to the announcement of the Company dated 5 June 2013, pursuant to which the Company announced that GHI (a wholly-owned subsidiary of the Company) entered into the Restated and Amended Shareholders' Agreement with Eastern Air Overseas (Hong Kong) Corporation Limited, Jetstar International Group Holdings Co. Limited and Jetstar Hong Kong on 5 June 2013 regarding its 1/3 equity investment in Jetstar Hong Kong.

To further strengthen the Hong Kong leadership and governance of Jetstar Hong Kong, on 20 January 2014, the shareholders of Jetstar Hong Kong further entered into a deed of amendment to the Restated and Amended Shareholders' Agreement, pursuant to which the voting structure of the shareholders of Jetstar Hong Kong was amended such that GHI became entitled to (i) hold a majority of the voting rights at the general meetings of Jetstar Hong Kong; and (ii) nominate for appointment, and remove, the majority of the board of directors of Jetstar Hong Kong, with each of the shareholders, including GHI, continuing to hold a 1/3 economic interest in Jetstar Hong Kong. As a result, Jetstar Hong Kong became a subsidiary of the Company under the Listing Rules despite the fact that GHI only holds a 1/3 economic interest in Jetstar Hong Kong and Jetstar Hong Kong will continue to be treated as a joint venture in the consolidated financial statements of the Company.

In addition, Jetstar Hong Kong, as seller, entered into (i) the April Aircraft Sale Agreements with certain wholly-owned subsidiaries of BoComm on 15 April 2014; and (ii) the August Aircraft Sale Agreements with certain wholly-owned subsidiaries of BoComm on 22 August 2014, for the sale of a total number of six aircraft.

LISTING RULES IMPLICATIONS

The applicable percentage ratios in respect of the Aircraft Sale Agreements are above 5% but less than 25%. Therefore, the transactions constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules, which are subject to the reporting and announcement requirements but are exempt from the shareholders' approval requirement under the Listing Rules. As the Aircraft Sale Agreements were entered into following the date on which Jetstar Hong Kong became a subsidiary of the Company under the Listing Rules, the transactions should have been disclosed as discloseable transactions under the Listing Rules. The Company has taken actions to publish this announcement as soon as practicable upon becoming aware of the implications under the Listing Rules.

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THE AIRCRAFT SALE AGREEMENTS

The principal terms of each of the Aircraft Sale Agreements are set out as follows:

Date

April Aircraft Sale Agreements: 15 April 2014

August Aircraft Sale Agreements: 22 August 2014

Parties

Seller:	Jetstar Hong Kong
Buyers:	Wholly-owned subsidiaries of BoComm

Aircraft sold

The aircraft sold comprised a total number of six unused Airbus A320-200 aircraft under the Aircraft Sale Agreements. Jetstar Hong Kong went through disposal evaluation processes taking into account the alternatives available to Jetstar Hong Kong, the offers that were received from potential buyers, the financing and storage costs which would otherwise have been incurred, and the prevailing business strategy of Jetstar Hong Kong, around the time of each sale. Each aircraft was sold under its own individual aircraft sale agreement as part of the Aircraft Sale Agreements.

Consideration

The sale price of each of the aircraft was determined in accordance with customary business practice after arm's length negotiations between Jetstar Hong Kong and the relevant Buyer with reference to (i) the net book value of the relevant aircraft on the books of Jetstar Hong Kong; (ii) the market value of the relevant aircraft at the time of the negotiations; (iii) the offers that were received by Jetstar Hong Kong from the potential buyers; and (iv) consideration of the financing and storage costs which would otherwise have been incurred.

It is noted that Jetstar Hong Kong is subject to a confidentiality obligation under which certain terms of the Aircraft Sale Agreements must remain confidential. The Company has obtained waiver from the Buyers to disclose the terms of Aircraft Sale Agreements in this announcement, save for the consideration paid by each Buyer. In light of this, the consideration and net book value of the relevant aircraft is not disclosed herein. For illustrative purpose only, the aggregate catalogue price for the six aircraft sold under the Aircraft Sale Agreements is approximately US$553.8 million, calculated based on the average catalogue price of a brand new A320 aircraft published by Airbus S.A.S.. It is common for airlines to be able to negotiate prices materially lower than the manufacturer's catalogue prices. The cost to Jetstar Hong Kong and sale prices to Buyers were both materially lower than the catalogue prices, as is common in the industry. The sale price of each of the aircraft under the Aircraft Sale Agreements is comparable to the prevailing market value of aircraft in transactions of comparable nature. Taking into account the contractual obligations of Jetstar Hong Kong which is in line with the normal business practice in the global airline industry, as well as the risk of jeopardizing Jetstar Hong Kong's bargaining power in similar transactions in the future, the Directors consider that it is in the Company's and its shareholders' best interests to preserve the confidentiality of the sale price.

The Group's share of the losses in respect of the Aircraft Sale Agreements which has taken into account the sale price, the net book value and the relevant transaction costs, amounted to approximately HK$19 million in aggregate, has already been reflected in the Company's consolidated financial statements for the six months ended 30 June 2014. Such losses have been included in the Company's consolidated financial statements as part of the "Share of results of joint ventures".

There is no net profit attributable to the aircraft under the Aircraft Sale Agreements for the two financial years immediately preceding the sale as the aircraft was not in operation during the relevant period.

Conditions Precedent

Jetstar Hong Kong's obligation to sell and deliver each aircraft to the relevant Buyer and each Buyer's obligation to purchase the aircraft from Jetstar Hong Kong pursuant to each of the Aircraft Sale Agreements is subject to satisfaction of a number of conditions precedent including but not limited to the following:

(1) representations and warranties of the Buyer and Jetstar Hong Kong under the relevant individual aircraft sale agreement are true and accurate as at delivery;

(2) the Buyer and Jetstar Hong Kong have performed all of their obligations required under the relevant individual aircraft sale agreement to be performed by each of them on or prior to the delivery date or, as the case may be, the delivery;

(3) Jetstar Hong Kong has received in full the sale price and the relevant costs as set out in the relevant individual aircraft sale agreement;

(4) the relevant aircraft are in delivery condition; and

(5) Jetstar Hong Kong and the Buyer have received the relevant conditions precedent documents set out in the relevant individual aircraft sale agreement.

Payment Terms

In each case, the relevant Buyer paid deposits to Jetstar Hong Kong prior to delivery of each relevant aircraft, with the remaining amount of the sale price of the relevant aircraft to be paid on the relevant delivery date.

As at the date of this announcement, the total sale price of the aircraft which have been delivered under the Aircraft Sale Agreements has been fully received by Jetstar Hong Kong and Jetstar Hong Kong has received the relevant deposits of the sale price in respect of the remaining aircraft which have not been delivered under the Aircraft Sale Agreements.

Delivery

The four aircraft under the Aircraft Sale Agreements which have been fully paid for have been delivered on the respective scheduled delivery dates and such agreements have been duly completed.

Deliveries of the remaining two aircraft under the Aircraft Sale Agreements are scheduled to happen before the end of 2014. If the delivery does not occur on or before the certain specified date or such other date agreed by the relevant Buyer and Jetstar Hong Kong, the relevant individual aircraft sale agreement shall terminate.

INFORMATION ON THE GROUP AND JETSTAR HONG KONG

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.

Jetstar Hong Kong is an indirect non wholly-owned subsidiary of the Company under the Listing Rules. Subject to obtaining of all relevant government and regulatory approvals, Jetstar Hong Kong will be a Hong Kong-based low cost carrier flying to short haul destinations in Asia.

INFORMATION ON THE BUYERS

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each Buyer is principally engaged in the business of aircraft leasing and is wholly-owned by BoComm.

The Company confirms that, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each Buyer and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

REASONS AND BENEFITS OF THE TRANSACTIONS

As the establishment of Jetstar Hong Kong is taking longer than initially expected, the sale of aircraft under the Aircraft Sale Agreements will optimize the fleet plan in the short term.

The proceeds from the sale were used to settle part of the purchase price of the relevant aircraft, repayment of debt, and for general working capital purposes of Jetstar Hong Kong.

The Directors believe that the terms of the Aircraft Sale Agreements are fair and reasonable and in the interest of the Company's shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The applicable percentage ratios in respect of the Aircraft Sale Agreements are above 5% but less than 25%. Therefore, the transactions constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules, which are subject to the reporting and announcement requirements but are exempt from the shareholders' approval requirement under the Listing Rules. As the Aircraft Sale Agreements were entered into following the date on which Jetstar Hong Kong became a subsidiary of the Company under the Listing Rules, the transactions should have been disclosed as discloseable transactions under the Listing Rules. The Company has taken actions to publish this announcement as soon as practicable upon becoming aware of the implications under the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

"Airbus S.A.S."	Airbus S.A.S., a société par actions simplifiée duly created and existing under French law
"Aircraft Sale Agreements"	collectively, the April Aircraft Sale Agreements and the August Aircraft Sale Agreements
"April Aircraft Sale Agreements"	the aircraft sale agreements entered into between Jetstar Hong Kong and certain wholly-owned subsidiaries of BoComm, respectively, on 15 April 2014
"August Aircraft Sale Agreements"	the aircraft sale agreements entered into between Jetstar Hong Kong and certain wholly-owned subsidiaries of BoComm, respectively, on 22 August 2014
"Board"	the board of Directors
"BoComm"	Bank of Communications Financial Leasing Co., Ltd (交銀金融租賃有限責任公司), a company incorporated in the PRC
"Buyer(s)"	The six wholly-owned subsidiaries of BoComm which entered into the respective Aircraft Sale Agreements with Jetstar Hong Kong to purchase aircraft
"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)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the directors of the Company
"GHI"	Go Harvest Investments Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China

"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Jetstar Hong Kong"	Jetstar Hong Kong Airways Limited, a company incorporated in Hong Kong and, for the purpose of the Listing Rules, an indirect non wholly-owned subsidiary of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China
"Restated and Amended Shareholders' Agreement"	the restated and amended shareholders' agreement entered into by GHI, Eastern Air Overseas (Hong Kong) Corporation Limited, Jetstar International Group Holdings Co. Limited and Jetstar Hong Kong on 5 June 2013
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"US$"	United States dollars, the lawful currency of United States of America

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

Hong Kong, 26 September 2014

As at the date of this announcement, the executive Directors are Dr. Stanley Ho, Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho, Mr. David Shum and Mr. Rogier Verhoeven; the non-executive Directors are Dato' Dr. Cheng Yu Tung and Mrs. Louise Mok; and the independent non-executive Directors are Sir Roger Lobo, Mr. Norman Ho, Mr. Charles Ho and Mr. Michael Ng.