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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 MASTER PRODUCTS AND SERVICES AGREEMENT WITH THE STDM GROUP

The Master Agreement

The Company is pleased to announce that the Company and STDM entered into the Master Agreement on 14 December 2015 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 Master Agreement will continue to be conducted on an ongoing basis for the next three years from 1 January 2016 to 31 December 2018 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 Master Agreement exceed 1%, the entering into of the Master 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 announcements of the Company dated 21 December 2012 and 25 October 2013 regarding, among other things, the Existing Master Property Services Agreement executed between the Company and STDM and the Existing Ticketing Agreement executed between STCTS and STDM, respectively.

The Company is pleased to announce that the Company and STDM entered into the Master Agreement on 14 December 2015 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.

THE MASTER AGREEMENT

Date	14 December 2015
Parties	the Company and STDM
Term	From 1 January 2016 to 31 December 2018. Subject to compliance with the requirements of the Listing Rules, the Master Agreement may be renewed by the parties before its termination.

The Existing Master Property Services Agreement and the Existing Ticketing Agreement will expire on 31 December 2015 and 31 December 2016 respectively. The Master Agreement will also govern the Ferry Ticket Transactions with effect from 1 January 2016. The terms of the Ferry Ticket Transactions under the Master Agreement will be substantially the same as those under the Existing Ticketing 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) provision of management and operation services to hotels and other hospitality properties and business owned by the STDM Group such as hotels, Macau Tower and restaurants;
- (iii) sale of travel products and provision of travel agency services, such as hotel accommodation and ticketing;
- (iv) provision of other property-related services, such as property management, sale and leasing, project management and cleaning services to various properties owned by STDM Group; and

(v) provision of business support services such as laundry, company secretarial services, promotion and advertising, and office administrative services.

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

(vi) sale of travel products such as hotel accommodation and Macau Tower admission tickets to the Group; and

(vii) provision of management services to properties owned by the Group.

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 Master Agreement, the Company and STDM agree that:

The provision of each relevant Product or Service by the Group or 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 Master 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 2013 and 2014 and the nine months ended 30 September 2015 and the respective annual caps (if applicable) for each category of transactions under the Master Agreement for the next three years ending 31 December 2016, 2017 and 2018:

(in HK\$ million)

		Aggregate amount for the year ended 31 December 2013	Aggregate amount for the year ended 31 December 2014	Aggregate amount for the nine months ended 30 September 2015	Annual cap for the year ending 31 December 2016	Annual cap for the year ending 31 December 2017	Annual cap for the year ending 31 December 2018
Products and Services provided by the Group to the STDM Group							
(i)	Ferry Tickets Transactions	132.0	143.4	101.6	167.0	172.0	180.0
	Discount (Note)	(6.6)	(7.2)	(5.1)	N/A	N/A	N/A
(ii)	Hospitality management service (Note)	11.3	28.7	24.1	N/A	N/A	N/A
(iii)	Travel products and services (Note)	1.9	1.8	1.0	N/A	N/A	N/A
(iv)	Property-related services (Note)	4.3	5.2	3.8	N/A	N/A	N/A
(v)	Business support services (Note)	6.7	6.9	4.6	N/A	N/A	N/A
Products and Services provided by the STDM Group to the Group							
(vi)	Travel products and services (Note)	22.9	21.0	13.8	N/A	N/A	N/A
(vii)	Property-related services (Note)	1.5	1.3	1.5	N/A	N/A	N/A

Note: Since the applicable percentage ratios as defined in the Listing Rules (other than the profits ratio) 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 2016, 2017 and 2018 are less than 1%, no annual cap has been set for these transactions.

The 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 Ticketing Agreement for the two years ended 31 December 2013 and 2014 and the nine months ended 30 September 2015; (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 2016, 2017 and 2018 after taking into account the general economic conditions, tourism environment and passenger ferry market in the Pearl River Delta.

REASONS FOR ENTERING INTO THE MASTER 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 (including passenger ferry services connecting Hong Kong, Macau and other ports in the Pearl River Delta) 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 the Discount will continue to provide a stable and important source of income to STCTS.

The Master 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 Master 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 Master Agreement will be conducted on an ongoing basis for the next three years from 1 January 2016 to 31 December 2018 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 with reference to the annual caps in respect of the transactions under the Master Agreement exceed 1%, the entering into of the Master 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 Master 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 Dr. Stanley Ho, Mrs. Louise Mok, 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 Master 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
“Discount”	the 5% discount granted by the Group to the STDM Group on the Ferry Ticket Transactions pursuant to the Existing Ticketing Agreement and the Master Agreement
“Existing Master Property Services Agreement”	the agreement dated 20 December 2012 entered into between the Company and STDM in relation to the provision of property-related services by the Group to the STDM Group
“Existing Ticketing Agreement”	the ticketing agreement entered into between STCTS and STDM on 25 October 2013 to continue the Ferry Ticket Transactions
“Ferry Tickets”	tickets for the ferry services operated by the Group
“Ferry Ticket Transactions”	the bulk purchase of Ferry Tickets at the Discount by the STDM Group from the Group for its own account
“Group”	the Company together with its subsidiaries
“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
“Master Agreement”	the master products and services agreement dated 14 December 2015 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
“Products and Services”	products and services provided pursuant to the Master Agreement and the Products and Services Implementation Agreements, details of which are set out in the paragraph headed “THE MASTER 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 Master Agreement

“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
“STCTS Group”	STCTS and its subsidiaries
“STDM”	Sociedade de Turismo e Diversões de Macau, S.A., a company incorporated in Macau
“STDM Group”	STDM and its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Ticketing Announcement”	the announcement of the Company dated 25 October 2013 in respect of, among others, the Ferry Ticket Transactions contemplated under the Existing Ticketing Agreement

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

Hong Kong, 14 December 2015

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 Director is Mrs. Louise Mok; and the independent non-executive Directors are Mr. Norman Ho, Mr. Charles Ho, Mr. Michael Ng and Mr. Kevin Yip.