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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 WITH THE MCE GROUP

FERRY TICKET TRANSACTIONS

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On 7 October 2016, STCTSML, a non-wholly-owned subsidiary of the Company, entered into the Ticketing Agreement with MPEL, a wholly-owned subsidiary of MCE, to regulate the sale of the Ferry Tickets by STCTSML to the MCE Group from time to time at a Discount for the period from 7 October 2016 to 31 December 2018.

LISTING RULES IMPLICATIONS

Since MCE became a subsidiary of MID under the Listing Rules on 9 May 2016 and MID is a majority-controlled company (as defined in the Listing Rules) of Mr. Ho, Lawrence Yau Lung, a family member of Dr. Stanley Ho, Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho, and a relative of Mrs. Louise Mok who are all Directors, each of Mr. Ho, Lawrence Yau Lung, MID and its subsidiaries (including MCE and MPEL) is a connected person of the Company. Therefore, any transactions between the Group and the MCE Group will constitute connected transactions or continuing connected transactions of the Company.

Pursuant to the Ticketing Agreement, the Ferry Ticket Transactions will continue to be conducted on an ongoing basis and will constitute continuing connected transactions of the Company under the Listing Rules.

Since the annual caps for the MCE Group Ticket Purchases for the period from 9 May 2016 to 31 December 2016 and the two years ending 31 December 2017 and 2018 exceed 0.1% but are less than 5% for the applicable percentage ratios (other than the profits ratio) as defined in Rule 14.07 of the Listing Rules, the entering into of the Ticketing Agreement is therefore subject to reporting, annual review and announcement requirements but exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

FERRY TICKET TRANSACTIONS

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The Ticketing Agreement

Date 7 October 2016

Parties STCTSML and MPEL

Term The Ticketing Agreement will take effect from 7 October 2016 until 31 December 2018, renewable for periods of not more than three years by prior written notice and subject to an annual price review.

The Ticketing Agreement is a framework agreement to set out the principal terms and conditions upon which the STCTSML may, from time to time, sell to the MCE Group and the MCE Group may, from time to time, purchase from STCTSML, the Ferry Tickets.

The Pricing Policy

The MCE Group has been one of the major customers for Ferry Tickets of the STCTS Group as a bulk purchaser of Ferry Tickets for its own account. Pursuant to the Ticketing Agreement, STCTSML shall grant to the MCE Group a Discount of 5% to the then prevailing retail rate of Ferry Tickets, excluding the ferry tickets for the route between Hong Kong International Airport and Macau, on the MCE Group Ticket Purchases.

The Discount is given in the normal course of business of the Group and in accordance with market practice of granting discounts on bulk purchases of Ferry Tickets to promote the ferry services of the STCTS Group.

Implementation Agreements, Contracts and Orders

STCTSML and member(s) of the MCE Group may enter into separate implementation agreements, contracts or orders setting out the detailed terms for the sale and purchase of Ferry Tickets from time to time provided that such detailed terms shall not be inconsistent with terms of the Ticketing Agreement.

Historical Figures

Set out below are the historical amounts in respect of the MCE Group Ticket Purchases and the Discount to the MCE Group for the two years ended 31 December 2014 and 2015 and the eight months ended 31 August 2016 respectively:

	MCE Group Ticket Purchases (before Discount) <i>HK\$' million</i>	Discount to the MCE Group <i>HK\$' million</i>
Financial year ended 31 December 2014	23.7	1.1
Financial year ended 31 December 2015	29.0	1.4
Eight months ended 31 August 2016	19.4	0.9

Proposed Annual Caps

Set out below are the proposed annual caps on the MCE Group Ticket Purchases for the period from 9 May 2016 to 31 December 2016 and the two years ending 31 December 2017 and 2018 respectively:

	MCE Group Ticket Purchases (before Discount) <i>HK\$' million</i>
9 May 2016 to 31 December 2016	22.0
Financial year ending 31 December 2017	41.0
Financial year ending 31 December 2018	45.0

Since the applicable percentage ratios as defined in the Listing Rules (other than the profits ratio) determined with reference to expected annual sum of the Discount to the MCE Group for each of the period from 9 May 2016 to 31 December 2016 and the two years ending 31 December 2017 and 2018 are less than 0.1%, no annual cap on the Discount to the MCE Group has been set.

The annual caps in respect of the MCE Group Ticket Purchases are determined with reference to (i) the historical amounts of the MCE Group Ticket Purchases for the two years ended 31 December 2014 and 2015 and the first eight months of 2016; and (ii) the estimated number of Ferry Tickets to be purchased by the MCE Group for the period from 9 May 2016 to 31 December 2016 and the two years ending 31 December 2017 and 2018 after taking into account the general economic conditions and the passenger ferry market in the Pearl River Delta.

REASONS FOR THE TICKETING AGREEMENT

The MCE Group has been one of the major customers for the Ferry Tickets. The ongoing sale of Ferry Tickets to the MCE Group in bulk quantity at the Discount under the Ticketing Agreement will continue to provide a stable source of income to the STCTS Group.

The Directors (excluding the Abstained Directors) are of the view that the terms of the Ticketing Agreement and the transactions thereunder (including the annual caps) are fair and reasonable, the entering into of the Ticketing Agreement is in the ordinary and usual course of business of the Group, on normal commercial terms and in the interests in the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

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.

STCTSML is a wholly-owned subsidiary of STCTS, which in turn is an indirect non-wholly-owned subsidiary of the Company. The STCTS Group is the Group's shipping arm and is a major operator of passenger ferry services connecting Hong Kong, Macau and other ports in the Pearl River Delta.

MPEL is a wholly-owned subsidiary of MCE. The principal business of MPEL is provision of management services to the MCE Group.

MCE is principally engaged in business in the leisure, gaming and entertainment sectors. MCE has its shares listed by way of American Depositary Receipts on the NASDAQ Global Select Market in the United States.

MID, through its subsidiaries, is principally engaged in leisure, gaming and entertainment and other investments.

Since MCE became a subsidiary of MID under the Listing Rules on 9 May 2016 and MID is a majority-controlled company (as defined in the Listing Rules) of Mr. Ho, Lawrence Yau Lung, a family member of Dr. Stanley Ho, Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho, and a relative of Mrs. Louise Mok who are all Directors, each of Mr. Ho, Lawrence Yau Lung, MID and its subsidiaries (including MCE and MPEL) is a connected person of the Company. Therefore, any transactions between the Group and the MCE Group will constitute connected transactions or continuing connected transactions of the Company.

By virtue of Mr. Ho, Lawrence Yau Lung's interests in MCE and MPEL, the Abstained Directors are considered to have a material interest in the Ticketing Agreement and the transactions contemplated thereunder. Accordingly, the Abstained Directors have abstained from voting on the board resolution(s) in respect of the Ticketing Agreement.

Pursuant to the Ticketing Agreement, the Ferry Ticket Transactions will continue to be conducted on an ongoing basis and will constitute continuing connected transactions of the Company under the Listing Rules.

Since the annual caps for the MCE Group Ticket Purchases for the period from 9 May 2016 to 31 December 2016 and the two years ending 31 December 2017 and 2018 exceed 0.1% but are less than 5% for the applicable percentage ratios (other than the profits ratio) as defined in Rule 14.07 of the Listing Rules, the entering into of the Ticketing Agreement is therefore subject to reporting, annual review and announcement requirements but exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Abstained Directors”	being Dr. Stanley Ho, Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho and Mrs. Louise Mok who have not given any opinion and have abstained from voting on the Board resolution(s) in respect of the Ticketing Agreement by virtue of their family member or relative's interests in MCE and MPEL
“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”	a discount of 5% to the then prevailing retail rate of Ferry Tickets, excluding the ferry tickets for the route between Hong Kong International Airport and Macau, granted by STCTSML to the MCE Group on the MCE Group Ticket Purchases from time to time pursuant to the Ticketing Agreement
“Ferry Tickets”	tickets for the ferry services from and/or to Macau operated by the STCTS Group
“Ferry Ticket Transactions”	the MCE Group Ticket Purchases at the Discount pursuant to the Ticketing Agreement
“Group”	the Company and 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
“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
“MCE”	Melco Crown Entertainment Limited, a subsidiary of MID under the Listing Rules, whose shares are listed by way of American Depositary Receipts on the NASDAQ Global Select Market in the United States
“MCE Group”	MCE and its subsidiaries (including MPEL)
“MCE Group Ticket Purchases”	the purchase of Ferry Tickets by the MCE Group from STCTSML from time to time pursuant to the Ticketing Agreement

“MID”	Melco International Development Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange (Stock Code: 200)
“MPEL”	MPEL Services Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of MCE
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“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
“STCTS Group”	STCTS and its subsidiaries (including STCTSML)
“STCTSML”	Shun Tak-China Travel Ship Management Limited, a company incorporated in Hong Kong with limited liability, is a wholly-owned subsidiary of STCTS and in turn an indirect non-wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Ticketing Agreement”	the ferry ticket sales framework agreement entered into between STCTSML and MPEL on 7 October 2016 to regulate the sale of the Ferry Tickets by STCTSML to the MCE Group from time to time at a Discount

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

Hong Kong, 7 October 2016

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