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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

(1) UPDATE ON DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO SITE D ACQUISITION: FURTHER EXTENSION OF LONG STOP DATE AND PROPOSED TRANSFER

(2) TERMINATION OF DISCLOSEABLE TRANSACTION IN RELATION TO THE NAM VAN SITE ACQUISITION

(1) UPDATE ON DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO SITE D ACQUISITION: FURTHER EXTENSION OF THE LONG STOP DATE AND THE PROPOSED TRANSFER

The Agreement

Reference is made to the SPA Announcements whereby STNV conditionally agreed to acquire from Sai Wu certain developable lands located in Nam Van, Macau. Subsequent to the entering into of the SPA, the long stop date for completion of the SPA has been extended to 31 December 2016, pending the finalisation by the Macau Government of the master plan for the development

of the Nam Van District. As at the date of this announcement, the master plan for the Nam Van District has not been finalised, and hence, the SPA has not been completed. However, the concession rights of Lot D2 and Lot D5 (being two of the four subject matters of the SPA) have expired on 30 July 2016.

In view of the above, the Board announces that on 1 November 2016, STNV, the Company and Sai Wu entered into the Agreement in respect of (i) the extension of the long stop date of the SPA and (ii) the Proposed Transfer and the grant of authority to STNV to directly negotiate on behalf of Sai Wu and the Target Companies in relation to the land sites and the promissory land rights held or to be held by them with a view to obtaining Replacement Site(s) that are acceptable to STNV. Depending on the results of such negotiation, STNV may (i) obtain the Replacement Site(s) to its satisfaction and pay the Pro-rata Consideration whereas the SPA will lapse simultaneously; or (ii) revoke the Proposed Transfer and request Sai Wu to return the Deposit paid by STNV under the SPA.

Listing Rules implications

As mentioned in the SPA Announcements, as (i) one or more of the applicable percentage ratios in respect of the transactions under the SPA were over 5% but below 25% and (ii) Sai Wu is a connected person of the Company by virtue of it being a company controlled by Dr. Ho, the Group Executive Chairman and an executive Director of the Company, the entering into of the SPA constituted a discloseable and connected transaction of the Company and were subject to the reporting, announcement and independent shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

As the Agreement involves certain additional arrangements between the parties to the SPA, pursuant to Rule 14.36 of the Listing Rules, the Company is required to re-comply with the reporting, announcement and independent shareholders' requirements under Chapters 14 and 14A of the Listing Rules in respect of the entering into of the Agreement.

In respect of the Proposed Transfer, as (i) one or more of the applicable percentage ratios (calculated based on the maximum amount of the Pro-rata Consideration, being HK\$1,500 million) exceed(s) 5% but is/are less than 25%, and (ii) Sai Wu is a connected person of the Company for the reason stated above, the Proposed Transfer constitutes a discloseable and connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

The General Meeting and despatch of the Circular

A circular containing, among other things, (i) further details of the Agreement and the transactions contemplated thereunder (including the Proposed Transfer, the payment of the Pro-rata Consideration and the Possible Revocation) and the proposed grant of the Specific Mandate; and (ii) notice of the General Meeting, and form of proxy are expected to be despatched to the Shareholders on or before 22 November 2016.

(2) TERMINATION OF THE DISCLOSEABLE TRANSACTION IN RELATION TO THE NAM VAN SITE ACQUISITION

The Board wishes to inform the Shareholders that on 1 November 2016, Many Gain (an independent third party) and STSL (an indirect wholly-owned subsidiary of the Company) entered into an agreement to terminate, with immediate effect, the conditional agreement dated 26 May 2008 between Many Gain and STSL in respect of the acquisition of development right and legal title of the Nam Van Site.

SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD BE AWARE THAT THE AGREEMENT IS SUBJECT TO SATISFACTION OF A NUMBER OF CONDITIONS, AND MAY OR MAY NOT PROCEED. ACCORDINGLY, SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES OF THE COMPANY.

(1) FURTHER EXTENSION OF THE LONG STOP DATE OF THE SPA AND THE PROPOSED TRANSFER

BACKGROUND

Reference is made to the SPA Announcements.

Under the SPA, STNV conditionally agreed to acquire and Sai Wu conditionally agreed to sell the entire issued share capital of certain companies which were expected to hold plots of land located in Site D with a total developable gross floor area of not less than 2,700,000 square feet. The total consideration under the SPA is HK\$1,500 million, of which HK\$500 million has been paid to Sai Wu as deposit (the **Deposit**), and the balance shall be satisfied on completion of the SPA by cash payment of HK\$250 million and the issuance of 148,883,374 new Shares at an issue price of approximately HK\$5.0375 per Share. The SPA has been approved by the Independent Shareholders in compliance with the Listing Rules. As at the date of this announcement, the SPA has not been completed and

the long stop date for completion of the SPA has been extended to 31 December 2016, pending the finalisation by the Macau Government of the master plan for the development of the Nam Van District, of which Site D comprises a portion. However, the concession rights of Lot D2 and Lot D5 (being two of the four subject matters of the SPA) have expired on 30 July 2016.

In view of the above, the Board announces that on 1 November 2016, STNV, the Company and Sai Wu, being parties to the SPA, entered into the Agreement.

THE AGREEMENT

The principal terms of the Agreement are set out as follows:

Date

1 November 2016

Parties

- (1) Sai Wu
- (2) STNV
- (3) the Company

Extension of the SPA

Pursuant to the Agreement, the long stop date of the SPA shall be extended to the date on which any of the following shall first take place: (i) STNV delivers the Non-Completion Notice (as defined in this announcement below) to Sai Wu and Dr. Ho; or (ii) all payments for the Pro-rata Consideration (as defined in this announcement below) have been made by STNV to Dr. Ho (as per the instructions of Sai Wu); or (iii) STNV delivers the Revocation Notice (as defined in this announcement below) to Sai Wu and Dr. Ho.

Proposed Transfer and grant of authority to negotiate

Under the Agreement, in consideration of STNV's forbearance to claim against Sai Wu in respect of Sai Wu's obligations and liabilities under the SPA (save and except for its obligation to return the Deposit paid by STNV under the SPA), Sai Wu has agreed to (i) assign to STNV the Sai Wu Promissory Land Rights and (ii) procure the transfer to STNV of the Target Shares and grant or procure the grant

of authority to STNV to directly negotiate on behalf of Sai Wu and the Target Companies in relation to the land sites and the promissory land rights held or to be held by them with a view to obtaining Replacement Site(s) that are acceptable to STNV.

Upon completion of the foregoing negotiations: (i) if STNV, itself or through the Target Companies, obtains Replacement Site(s) to its satisfaction, STNV shall pay the Pro-rata Consideration in accordance with the terms and conditions of the Agreement whereupon the SPA will lapse simultaneously; or (ii) if STNV does not obtain any Replacement Site(s) to its satisfaction, STNV may revoke the Proposed Transfer and request Sai Wu to return the Deposit paid by STNV under the SPA.

Pre-Completion obligations

Prior to Completion and within fourteen days from the date of the Agreement, Sai Wu shall (i) procure the delivery to STNV of power of attorney granted by itself and each of the Target Companies in favour of STNV (the **Target Companies' POA**) whereby STNV, as the attorney of Sai Wu and the Target Companies, is granted full powers to act in the name and on behalf of Sai Wu and the Target Companies in, among others, exercising any and all of their rights or legal entitlements in relation to any real estate properties held or to be held by Sai Wu and the Target Companies; and (ii) deliver to STNV power of attorney granted by itself in favour of STNV (the **Sai Wu's POA**) whereby STNV, as its attorney in connection with the Sai Wu Promissory Land Rights, is granted the powers to, among others, approve and sign any agreements, and make any submissions, filings or applications on behalf of Sai Wu to obtain any necessary consent, authorisation or permit, for the transfer or assignment of all or part of the Sai Wu Promissory Land Rights as well as of any land rights that may be granted to Sai Wu as result of the exercise and delivery of the Sai Wu Promissory Land Rights.

Prior to Completion, Sai Wu shall execute or procure each of the Original Shareholders to execute and deposit with designated lawyers (the **Designated Lawyers**), as applicable, (i) a power of attorney in favour of STNV whereby STNV, as the attorney of the Original Shareholders, is granted, among others, the powers to approve and sign any documents for the transfer and endorsement of all or part of the Target Shares and to represent the Original Shareholders in respect of any issue regarding the business of the Target Companies before the Macau Government and any public or private entity; (ii) an instrument of assignment in respect of the Sai Wu Promissory Land Rights; (iii) a declaration pursuant to which the Original Shareholders undertake to abstain from

competing with STNV in respect of the object of the relevant land concession contract(s) and/or of the rights to receive new land concession rights which are or may be attributable to the Target Companies; (iv) share certificates representing the entire share capital of the Target Companies; and (v) the book of registration of shares of each of the Target Companies (collectively, the **Original Shareholders' Documents**).

Conditions

Completion of the Agreement is conditional on the fulfilment of the following conditions (collectively, the **Conditions**):

- (a) due diligence on the Sai Wu Promissory Land Rights and the Target Companies being completed to STNV's satisfaction;
- (b) the approvals from the Board and the Independent Shareholders being obtained in accordance with all applicable laws and regulations, including but not limited to the Listing Rules in relation to the Agreement and the transactions contemplated therein (including the grant of the Specific Mandate and the listing of, and permission to deal in, the Consideration Shares); and
- (c) the Original Shareholders' Documents having been deposited with the Designated Lawyers.

STNV shall have the right to waive Condition (c) above. If STNV elects not to proceed to Completion, the Agreement shall be deemed to have no effect and Sai Wu and Dr. Ho shall, within seven days after receiving a written notice from STNV (the **Non-Completion Notice**), return the Deposit to STNV but without prejudice to any other rights under the SPA.

Completion

Completion shall take place within five Business Days after all Conditions have been fulfilled or waived by STNV.

At Completion, (i) the Designated Lawyers shall deliver the Original Shareholders' Documents to STNV; (ii) Sai Wu shall deliver to STNV such other books and documents of each of the Target Companies as legally necessary to establish the full ownership of their respective capital and full management of each of the Target Companies; and (iii) STNV shall deliver to Sai Wu a declaration of release pursuant to which STNV and the Company, among others, completely release and waive any and all claims against certain Original Shareholders which they have or may acquire thereafter arising out of the SPA.

Payment of Pro-rata Consideration if STNV successfully obtains one or more Replacement Sites to its satisfaction

In the event that Completion has taken place and thereafter, STNV successfully obtains one or more Replacement Sites to its satisfaction, STNV shall, within seven days from the publication of the relevant concession contract in the Macau Official Gazette in respect of any Replacement Site(s) accepted by STNV, serve a written notice (the **Payment Notice**) to Sai Wu and Dr. Ho and pay to Dr. Ho (as per the instructions of Sai Wu) a consideration (the **Pro-rata Consideration**) calculated in the following manner, subject to a maximum amount of HK\$1,500 million in aggregate:

$$\text{PRC} = (\text{SPAC} / \text{SPAGFA}) * \text{NGFA}$$

Where:

PRC is the Pro-rata Consideration

SPAC is the consideration under the SPA (i.e. HK\$1,500,000,000)

SPAGFA is the developable gross floor area of Site D as envisaged under the SPA (i.e. 2,700,000 square feet)

NGFA is the new developable gross floor area attributed to the Replacement Site(s) in question

The payment of the Pro-rata Consideration shall be effected in the following manner:

- (a) the first HK\$500 million payable as Pro-rata Consideration shall be set-off against the Deposit paid by STNV under the SPA;
- (b) the next HK\$500 million, or any part thereof, payable as Pro-rata Consideration shall be satisfied by one or more allotment(s) and issue(s) of 99,255,583 Shares credited as fully paid to Alpha Davis (being Sai Wu's nominee to receive consideration shares in the SPA) at HK\$5.0375 per Share, being the issue price for issuance of consideration shares in the SPA (the **Issue Price**); and
- (c) any subsequent Pro-rata Consideration payment(s) (if any) shall be satisfied by a combination of cash payment and allotment and issue of Shares in the manner described in paragraph (b) above in the proportion of 50:50.

The Issue Price of HK\$5.0375 per Consideration Share is equal to the issue price for issuance of the consideration shares pursuant to the terms of the SPA and represents:

- (a) a premium of approximately 92.27% to the closing price of the Shares of HK\$2.62 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 88.67% to the average of the closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of approximately HK\$2.67 per Share; and
- (c) a discount of approximately 51.09% over the audited consolidated net asset value of the Company per Share in issue as at 31 December 2015.

Based on the maximum amount of the Pro-rata Consideration of HK\$1,500 million, the Company would be required to pay up to HK\$250 million in cash (after setting off against the Deposit) and to allot and issue up to 148,883,374 Consideration Shares in respect of the Proposed Transfer. The Company will seek the grant of a specific mandate from the Independent Shareholders at the General Meeting for the allotment and issue of up to 148,883,374 Consideration Shares. An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares.

Possible Revocation if STNV is unsuccessful in obtaining any Replacement Site(s) to its satisfaction

In the event that Completion has taken place and thereafter, STNV is unsuccessful in obtaining any Replacement Site(s) to its satisfaction, STNV may elect to revoke the Proposed Transfer (the **Possible Revocation**) by delivering a written notice to Sai Wu and Dr. Ho (the **Revocation Notice**) in accordance with the Agreement. Sai Wu shall return the Deposit to STNV within seven days after receipt of the Revocation Notice and upon receipt of the Deposit, STNV shall return to Sai Wu the Target Companies' POA, the Sai Wu's POA, the Original Shareholders' Documents and such other books and documents of each of the Target Companies received from Sai Wu to establish the full ownership of their respective capital and full management of each of the Target Companies.

Pursuant to the Agreement, either the Payment Notice or the Revocation Notice shall be served by STNV within 10 years from the date of the signing of the Agreement, failing which STNV shall be deemed to have served the Revocation Notice to Sai Wu and Dr. Ho.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

As mentioned in the SPA Announcements, the Macau Government has been formulating the master plan for development of the Nam Van District, within which Site D is located, and additional time is required for the master plan to be finalised. As a result, the long stop date of the SPA has been extended since 2004 and the SPA has not been completed as at the date of this announcement. In the meantime, the concession rights of Lot D2 and Lot D5 (being two of the four subject matters of the SPA) have expired on 30 July 2016.

Given this situation, the Company, STNV and Sai Wu entered into the Agreement to (i) further extend of the long stop date of the SPA and (ii) make additional arrangements between the parties to the SPA (including the Proposed Transfer). The Directors (excluding the Abstained Directors) considered the proposed transactions to be in the interests of the Company and the Shareholders as a whole for the following reasons:

- (a) it was noted that the concession rights of Lot D2 and Lot D5 have expired on 30 July 2016, and the Macau Government has not yet fulfilled its promise in respect of the Sai Wu Promissory Land Rights and the promissory land rights held by Hei Keng Van, respectively. By virtue of the Agreement, the Company will be given full powers under of the Target Companies' POA and the Sai Wu's POA to act in the name and on behalf of Sai Wu and the Target Companies to directly engage in negotiations with the Macau Government (or other relevant parties). This will enable the Company to take an active role in the process of obtaining relevant approvals or land concession rights that are favourable and acceptable to the Company as a whole;
- (b) there appears to be a significant commercial opportunity provided by the Agreement because the Pro-rata Consideration payable by STNV under to the Agreement will be calculated based on the same price per developable gross floor area agreed by the parties to the SPA which was entered into in 2004, which is considerably lower than the current market price of land in Macau that is comparable to Site D; and
- (c) if the Company is successful in obtaining the Replacement Site(s) to its satisfaction, the Group's land bank in Macau will be significantly increased, and the value of the Group's existing Macau property portfolio will be enhanced. On the other hand, if the Company is unsuccessful in obtaining any Replacement Site(s) to its satisfaction, it retains under the Agreement the flexibility to revoke the Proposed Transfer and secure the return of the Deposit by Sai Wu.

The Directors (excluding the Abstained Directors) are also of the view that the terms of the Agreement have been reached after arm's length negotiations among the parties and are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EFFECT OF THE ISSUE OF THE CONSIDERATION SHARES ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming that Completion takes place and STNV is required to pay the maximum amount of the Pro-rata Consideration under the Agreement, the Consideration Shares to be allotted and issued by the Company to Alpha Davis will constitute approximately 4.89% of the existing issued Shares and approximately 4.67% of the enlarged issued Shares immediately after the issue of all of the Consideration Shares.

Details of the shareholding structure of the Company as at the date of this announcement and immediately after the issue of the maximum amount of Consideration Shares (assuming that there is no other change to the shareholding structure of the Company) are set out below:

	Issued Shares as at the date of this announcement		Issued Shares immediately after issue of all Consideration Shares	
	<i>(no. of Shares)</i>	<i>%</i>	<i>(no. of Shares)</i>	<i>%</i>
Alpha Davis	0	0.00%	148,883,374	4.67%
Dr. Ho	1,798,559	0.06%	1,798,559	0.06%
Mrs. Louise Mok	471,112	0.02%	471,112	0.01%
Ms. Pansy Ho	525,664,564	17.28%	525,664,564	16.47%
Ms. Daisy Ho	215,139,816	7.07%	215,139,816	6.74%
Ms. Maisy Ho	70,618,215	2.32%	70,618,215	2.21%
Renita Investments Limited and its subsidiary	500,658,864	16.46%	500,658,864	15.69%
Shun Tak Shipping Company, Limited and its subsidiaries	373,578,668	12.28%	373,578,668	11.71%
Megaprosper Investments Limited	65,040,000	2.14%	65,040,000	2.04%
Others	<u>1,289,495,987</u>	<u>42.37%</u>	<u>1,289,495,987</u>	<u>40.40%</u>
Total	<u>3,042,465,785</u>	<u>100%</u>	<u>3,191,349,159</u>	<u>100%</u>

INFORMATION ON THE TARGET COMPANIES AND THE SAI WU PROMISSORY LAND RIGHTS

Each of D2 Land Company, D5 Land Company and Hei Keng Van is a company incorporated in Macau whose sole business and asset are holding the respective leasehold grant or promissory land rights as set out below:

D2 Land Company holds the leasehold grant of Lot D2 located in Nam Van, Macau. D5 Land Company holds of the leasehold grant of Lot D5 also located in Nam Van, Macau. The concession rights of both Lot D2 and Lot D5 have expired on 30 July 2016.

Hei Keng Van is the beneficiary and legitimate titleholder of the promissory land rights granted by the Macau Government pursuant to Dispatch no. 36/2004 as published in the Macau Official Gazette of 14 April 2004 that entitles it to, in replacement of a land site with a site area of 6,480 square metres located in District B of the Nam Van District, Macau previously surrendered by it to the Macau Government, obtain leasehold grant of one or more land sites in Districts C and D of the Nam Van District, Macau or land sites with similar developable floor area and construction capacity.

The Sai Wu Promissory Land Rights to be assigned to STNV is the right granted by the Macau Government to Sai Wu pursuant to Dispatch no. 35/2004 as published in the Macau Official Gazette of 14 April 2004 that entitles Sai Wu to, in replacement of a land site with a site area of 6,480 square metres located in District B of the Nam Van District, Macau previously surrendered by it to the Macau Government, obtain leasehold grant of one or more land sites in Districts C and D of the Nam Van District, Macau or land sites with similar developable floor area and construction capacity.

Financial information of the Target Companies

Set out below is certain unaudited financial information of the Target Companies for each of the two years ended 31 December 2014 and 2015 and the six months ended 30 June 2016:

D2 Land Company

D2 Land Company did not incur any profit or loss for the year ended 31 December 2014 and incurred a net loss before and after taxation of MOP278,470.75 for the year ended 31 December 2015. The net asset value of D2 Land Company as at 30 June 2016 was MOP426,567.55.

D5 Land Company

D5 Land Company did not incur any profit or loss for the year ended 31 December 2014 and incurred a net loss before and after taxation of MOP120,545.99 for the year ended 31 December 2015. The net asset value of D5 Land Company as at 30 June 2016 was MOP742,537.11.

Hei Keng Van

Hei Keng Van did not incur any profit or loss for the year ended 31 December 2014 and incurred a net loss before and after taxation of MOP2,020.00 for the year ended 31 December 2015. The net asset value of Hei Keng Van as at 30 June 2016 was MOP966,425.00.

INFORMATION ON THE PARTIES

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. STNV is a company incorporated in Macau and an indirect wholly-owned subsidiary of the Company.

Sai Wu is a company incorporated in Macau and the beneficiary and legitimate titleholder of the Sai Wu Promissory Land Rights.

LISTING RULES IMPLICATIONS

As mentioned in the SPA Announcements, as (i) one or more of the applicable percentage ratios in respect of the transactions under the SPA were over 5% but below 25% and (ii) Sai Wu is a connected person of the Company by virtue of it being a company controlled by Dr. Ho (the Group Executive Chairman and an executive Director of the Company) the entering into of the SPA constituted a discloseable and connected transaction of the Company and were subject to the reporting, announcement and independent shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

As the Agreement involves certain additional arrangements between the parties to the SPA, pursuant to Rule 14.36 of the Listing Rules, the Company is required to re-comply with the reporting, announcement and independent shareholders' requirements under Chapters 14 and 14A of the Listing Rules in respect of the entering into of the Agreement.

In respect of the Proposed Transfer, as (i) one or more of the applicable percentage ratios (calculated based on the maximum amount of the Pro-rata Consideration, being HK\$1,500 million) exceed(s) 5% but is/are less than 25%,

and (ii) Sai Wu is a connected person of the Company for the reason stated above, the Proposed Transfer constitutes a discloseable and connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

GENERAL MEETING

The General Meeting will be convened for the Independent Shareholders to consider and, if thought fit, pass the requisite resolutions to approve the Agreement (including the Proposed Transfer, the payment of the Pro-rata Consideration and the Possible Revocation) and the proposed grant of the Specific Mandate. Dr. Ho, Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho and Mrs. Louise Mok and their respective associates and any other persons who have material interests in the Agreement are required to abstain from voting on the relevant resolutions to be proposed at the General Meeting.

GENERAL

The Independent Board Committee has been formed to consider and advise the Independent Shareholders on the Agreement (including the Proposed Transfer, the payment of the Pro-rata Consideration and the Possible Revocation) and the Specific Mandate. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders on the Agreement (including the Proposed Transfer, the payment of the Pro-rata Consideration and the Possible Revocation) and the Specific Mandate.

A circular containing, among other things, further information on the Agreement (including the Proposed Transfer, the payment of the Pro-rata Consideration and the Possible Revocation) and the Specific Mandate, the recommendation of the Independent Board Committee, the recommendation and advice of the independent financial adviser to the Independent Board Committee and the Independent Shareholders and the notice of the General Meeting, and form of proxy are expected to be despatched to the Shareholders on or before 22 November 2016.

(2) TERMINATION OF THE DISCLOSEABLE TRANSACTION IN RELATION TO THE NAM VAN SITE ACQUISITION

Reference is made to the announcements of the Company dated 27 May 2008, 26 May 2009, 30 December 2010, 7 February 2012, 23 December 2013 and 31 December 2014 in relation to, among others, the conditional agreement dated 26 May 2008 between Many Gain (an independent third party) and STSL (an

indirect wholly-owned subsidiary of the Company) in respect of the acquisition of development right and legal title of the Nam Van Site (the **Nam Van Site Agreement**), the long stop date of which has been extended to 31 December 2016, pending the finalisation by the Macau Government of the master plan for the development of the Nam Van District, of which the Nam Van Site comprises a portion. As at the date of this announcement, the master plan for the Nam Van District has not been finalised.

As the conditions precedent to the Nam Van Site Agreement remain unfulfilled, both parties have mutually agreed to terminate the Nam Van Site Agreement. On 1 November 2016, Many Gain and STSL entered into an agreement to terminate the Nam Van Site Agreement with immediate effect, pursuant to which any part of the consideration paid by STSL to Many Gain and/or their escrow agent (together with interest accrued thereon) shall be returned to STSL.

The Board considers that the termination of the Nam Van Site Agreement is in the interest of the Company and the Shareholders as a whole and has no material adverse impact on the business, operations and financial position of the Group.

SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD BE AWARE THAT THE AGREEMENT IS SUBJECT TO SATISFACTION OF A NUMBER OF CONDITIONS, AND MAY OR MAY NOT PROCEED. ACCORDINGLY, SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES OF THE COMPANY.

DEFINITIONS

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

“Abstained Directors”	Dr. Ho, Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho and Mrs. Louise Mok, all being Directors, who have not given any opinion and have abstained from voting on the Board resolutions approving the Agreement and the transaction contemplated thereunder in view of their respective interests in the Agreement
“Agreement”	the agreement dated 1 November 2016 and entered into among Sai Wu, STNV and the Company in respect of, among others, the extension of the long stop date of the SPA and the Proposed Transfer

“Alpha Davis”	Alpha Davis Investments Limited, a company incorporated in the British Virgin Islands, owned as to 47% by Dr. Ho and 53% by a company jointly held by Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho, which is nominated by Sai Wu to receive the Consideration Shares
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday in Hong Kong or any day on which a tropical cyclone warning no. 8 or above or a “black” rain warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are ordinarily open for the transaction of normal banking business in Hong Kong
“Circular”	the circular to be sent to the Shareholders in relation to the General Meeting containing, among other things, details of the Agreement, the Proposed Transfer, the payment of the Pro-rata Consideration, the Possible Revocation and the proposed grant of the Specific Mandate
“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)
“Completion”	the completion of the Proposed Transfer in accordance with the terms and conditions of the Agreement
“Consideration Shares”	up to 148,883,374 new Shares to be issued by the Company as part of the Pro-rata Consideration
“Director(s)”	the director(s), including independent non-executive director(s), of the Company
“Dr. Ho”	Dr. Stanley Ho, Group Executive Chairman of the Company and an executive Director

“D2 Land Company”	Sociedade de Investimento Imobiliário Va Keng Van, S.A., a company incorporated in Macau with limited liability and was the holder of the leasehold grant of Lot D2
“D5 Land Company”	Sociedade de Investimento Imobiliário Wui Keng Van, S.A., a company incorporated in Macau with limited liability and was the holder of the leasehold grant of Lot D5
“General Meeting”	general meeting of the Company to be convened for the purpose of approving the Agreement and the Specific Mandate
“Group”	the Company together with its subsidiaries
“Hei Keng Van”	Sociedade de Investimento Imobiliário Hei Keng Van S.A.R.L, a company incorporated in Macau with limited liability and the beneficiary and legitimate titleholder of the promissory land rights granted by the Macau Government pursuant to Dispatch no. 36/2004 as published in the Macau Official Gazette of 14 April 2004
“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 Board Committee”	the independent committee of the Board comprising Mr. Norman Ho, Mr. Charles Ho, Mr. Michael Ng and Mr. Kevin Yip, being all the independent non-executive Directors, which has been established to advise the Independent Shareholders in respect of the Agreement
“Independent Shareholders”	the Shareholders other than Dr. Ho, Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho and Mrs. Louise Mok and their respective associates and any other persons who have material interests in the Agreement
“Last Trading Day”	31 October 2016, being the last full trading day for the Shares before the date of this announcement
“Listing Committee”	the listing committee of the Stock Exchange

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lot D2”	a property site (which forms a portion of Site D) entailing a developable gross floor area of 80,200 square metres for hotel and 10,020 square metres for parking, located in Nam Van, Macau and held by D2 Land Company
“Lot D5”	a property site (which forms a portion of Site D) entailing a developable gross floor area of 27,560 square metres for residential purposes and 4,140 square metres for parking, located in Nam Van, Macau and held by D5 Land Company
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Many Gain”	Many Gain Investments Limited, a company incorporated in the British Virgin Islands and an independent third party
“MOP”	Macanese pataca, the lawful currency of Macau
“Nam Van Site”	a property site located in Nam Van, Macau adjoining to Site D and generally bound by Avenida Dr Sun Yat Sen on the north
“Original Shareholders”	each and all of the shareholders of the Target Companies
“Proposed Transfer”	the proposed transfer of the Target Shares and the assignment of the Sai Wu Promissory Land Rights to STNV and other transactions as contemplated under the Agreement
“Replacement Site(s)”	the leasehold land site(s) (or other rights) to be granted by the Macau Government or other relevant parties pursuant to the Sai Wu Promissory Land Rights, the promissory land rights held by Hei Keng Van and/or arising from the expiry of the land concession rights of Lot D2 and/or Lot D5 that were previously held by D2 Land Company and D5 Land Company

“Sai Wu”	Sai Wu Investment Limited, a company incorporated in Macau with limited liability
“Sai Wu Promissory Land Rights”	the right granted by the Macau Government to Sai Wu pursuant to Dispatch no. 35/2004 as published in the Macau Official Gazette of 14 April 2004
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Site D”	the land development rights in respect of four property sites in Nam Van, Macau held by the four companies to be acquired by STNV under the SPA
“SPA”	the sale and purchase agreement dated 11 November 2004 (and the supplemental agreements thereto) entered into by the Company, STNV, Dr. Ho and Sai Wu, in relation to the sale and acquisition of the entire issued share capitals of certain companies which were expected to hold Site D at the time of completion
“SPA Announcements”	the announcements of the Company dated 11 November 2004, 11 May 2005, 30 December 2005, 30 June 2006, 20 June 2007, 27 May 2008, 26 May 2009, 30 December 2010, 7 February 2012, 23 December 2013 and 31 December 2014 in connection with the SPA
“Specific Mandate”	the specific mandate to be proposed at the General Meeting for approval by the Independent Shareholders in relation to the allotment and issuance of up to 148,883,374 Consideration Shares to settle part of the Pro-rata Consideration
“STNV”	Shun Tak Nam Van Investment Limited (formerly known as Pat Soi, Limitada), a company incorporated in Macau with limited liability and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“STSL”	Shun Tak South Lake Investment Limited, a company incorporated in Macau with limited liability and an indirect wholly-owned subsidiary of the Company

“Target Companies” D2 Land Company, D5 Land Company and Hei Keng Van, and “Target Company” shall refer to any of them

“Target Shares” the entire share capital of each of the Target Companies

“%” percent

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

Hong Kong, 1 November 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.