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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 OCEAN PARK PROJECT AND
THE JV FORMATION**

THE OCEAN PARK PROJECT

The Board is pleased to announce that on 24 October 2024, after trading hours, STAHS (an indirect non wholly-owned subsidiary of the Company) and Ocean Park Corporation entered into the Agreements, pursuant to which STAHS shall develop and operate the Adventure Zone, a new adventure park at Ocean Park, in accordance with the terms and conditions of the Development and Operating Agreement and the Sub-Lease.

THE JV FORMATION

On the same day and also after trading hours, STSIL (an indirect wholly-owned subsidiary of the Company) entered into the Shareholders' Agreement with CIHKL and the other parties in relation to STAHS, which includes, amongst other things, the management, operation and financing of STAHS for the purpose of the Ocean Park Project. STAHS is a subsidiary held by the Company as to 50% and by its joint venture partner, CIHKL, as to 50%.

Pursuant to the Shareholders' Agreement, the Total Development Costs of the Adventure Zone to be borne by STAHS are capped at HK\$352 million, which comprise the maximum aggregate of the development and construction costs and working capital of the Ocean Park Project during the term of the Agreements. The Total Development Costs shall be funded by shareholders' loans to be contributed on a pro-rata basis in accordance with the respective shareholding interest by the shareholders in STAHS. CIHKL's contribution to STAHS shall be funded by the CIHKL Loan.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Transactions exceed 5% but are all less than 25%, the Transactions constitute a discloseable transaction for the Company, and are therefore subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 24 October 2024, after trading hours, STAHS (an indirect non wholly-owned subsidiary of the Company) and Ocean Park Corporation entered into the Agreements, pursuant to which STAHS will develop and operate the Adventure Zone, a new adventure park at Ocean Park, in accordance with the terms and conditions of the Development and Operating Agreement and the Sub-Lease.

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THE OCEAN PARK PROJECT

The Development and Operating Agreement

The principal terms of the Development and Operating Agreement are set out below:

Date

24 October 2024

Parties

- (i) STAHS (an indirect non wholly-owned subsidiary of the Company)
- (ii) Ocean Park Corporation

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as of the date of this announcement, Ocean Park Corporation and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Development and Operation of the Adventure Zone

Pursuant to the Development and Operating Agreement, STAHS shall design and construct the facilities in the Adventure Zone within five years and finance, manage, operate and maintain the Ocean Park Project in accordance with the terms and conditions of the Development and Operating Agreement, based on a build-operate-transfer model.

The Adventure Zone shall be located in the South Western portion of Ocean Park in Hong Kong with a total area of approximately 120,000 square meters. Based on the current business plan, the development concept of the Adventure Zone is expected to include adventure tourism experiences with a high level of excitement and personal challenge such as bungee jumping, giant swings, ziplines, a rail coaster luge and adventure parks, as well as attractions and facilities for families and kids and ancillary elements of retail and dining amenities.

The term of the Ocean Park Project will commence from the date of the Development and Operating Agreement until the end of the term of the Sub-Lease, which will be 18 December 2047, or, if extended by the relevant parties based on the Sub-Lease, up to the latest date of 18 December 2057. The Ocean Park Project will consist of the development phase and the operation phase. The development phase shall last for not more than five years after the commencement of the Sub-Lease, subject to adjustment by STAHS and Ocean Park Corporation. The operation phase will commence from the completion of the construction of facilities for the Adventure Zone until the

end of the term for the Sub-Lease, and during the operation phase, STAHS will be required to manage, operate and maintain the Adventure Zone and also to pay rent to Ocean Park Corporation based on certain percentages for different tiers of the annual revenue generated from the Adventure Zone during the operation phase. Please see further details of the Sub-Lease in the paragraph headed “The Sub-Lease” below.

Based on the current business plan, the Total Development Costs of the Adventure Zone will be HK\$352 million, which comprise the estimated construction costs and working capital of the Ocean Park Project during the term of the Agreements, and the Adventure Zone is expected to commence operations in 2028.

Security arrangements

On or before the date of the Development and Operating Agreement, STAHS is required to provide a performance security of HK\$17.6 million (calculated based on 5% of the estimated project costs) to the Ocean Park Corporation for the development phase, which will be refunded to STAHS at the end of the development phase in accordance with the Development and Operating Agreement. Upon commencement of operation of the Adventure Zone, STAHS is required to provide a performance security of HK\$5 million (which is adjustable based on the annual gross revenue of certain years of the operation phase) to the Ocean Park Corporation for the operation phase, which will be refunded to STAHS after the end of the term of the Ocean Park Project in accordance with the Development and Operating Agreement. The security arrangements will be provided by STAHS in respect of its relevant obligations under the Development and Operating Agreement, and relevant cash flow for such security arrangements has been included in the Total Development Costs of the Adventure Zone.

Management committee

A management committee for the Ocean Park Project will be set up to facilitate effective communications between Ocean Park Corporation and STAHS and collaboration in respect of the design, construction, operation, marketing and maintenance of the Adventure Zone throughout the term of the Ocean Park Project. Such management committee will be equally represented by Ocean Park Corporation and STAHS.

The Sub-Lease

On the same date, STAHS and Ocean Park Corporation entered into the Sub-Lease for purpose of implementing certain terms and conditions of the Development and Operating Agreement, particularly the use and restrictions in respect of the land parcel for the Adventure Zone and the rent payable during the operation phase of the Ocean Park Project. The Sub-Lease will commence from the date of handover of the relevant land parcel to STAHS for development until 18 December 2047 or, if extended by the relevant parties based on the Sub-Lease, to the latest date of 18 December 2057.

THE JV FORMATION

The Shareholders' Agreement

The principal terms of the Shareholders' Agreement are set out below:

Date

24 October 2024

Parties

- (i) STSIL (an indirect wholly-owned subsidiary of the Company)
- (ii) CIHKL
- (iii) STAHS
- (iv) STTI, as guarantor for STSIL
- (v) AJ Hackett International, as guarantor for CIHKL

As of the date of this announcement, STAHS is held by STSIL and CIHKL as to 50% each and STAHS is a subsidiary of the Company and its accounts will be consolidated into the Group.

As of the date of this announcement, each of CIHKL and AJ Hackett International is a company wholly-owned by Mr. AJ Hackett, and CIHKL is a substantial shareholder of an insignificant subsidiary of the Company and also holds 50% of the shares in STAHS. Other than this, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, as of the date of this announcement, each of CIHKL and AJ Hackett International and their ultimate beneficial owner is a third party independent of the Company and its connected persons.

Business of STAHS and division of responsibilities between its shareholders

The sole business of STAHS shall be to develop and operate the Ocean Park Project in accordance with the terms and conditions of the Agreements. STSIL and CIHKL have agreed under the Shareholders' Agreement that CIHKL shall be responsible for advising and assisting STAHS in the development and construction of required facilities and project management of the Ocean Park Project in the development phase, while STSIL shall co-manage the operations of STAHS with CIHKL in the operation phase.

Capital Commitment and Shareholders' Loans

The Total Development Costs of the Ocean Park Project will be contributed by the shareholders of STAHS on a pro-rata basis in accordance with their respective shareholding interest in STAHS, which will be in the form of shareholders' loans. The shareholders' contributions are expected to be funded by each shareholder on an as-needed basis over the initial five years in accordance with the construction progress. The shareholder's loans to be contributed by STSIL to STAHS in the aggregate amount of HK\$176 million will be funded by internal resources of the Group.

The CIHKL Loan

In connection with CIHKL's contribution for purpose of the Total Development Costs, STDL has granted the CIHKL Loan in the principal amount of HK\$176 million to CIHKL for the sole purpose of CIHKL's satisfaction of its share of shareholders' contribution to be injected into STAHS. The CIHKL Loan will be charged at an interest rate calculated with reference to the prevailing rate equivalent to Hong Kong Dollar Best Lending Rate quoted by The Hongkong and Shanghai Banking Corporation Limited plus a fixed premium agreed by the relevant parties, and such interest will commence from the operation phase of the Ocean Park Project. The CIHKL Loan has a fixed 10-year repayable term with equal annual repayment amounts commencing from the first anniversary of the commencement of the operation phase. It will be secured by a charge over all the shares in STAHS owned by CIHKL, a corporate guarantee of AJ Hackett International and a personal guarantee of Mr. AJ Hackett.

Board Composition

The board of directors of STAHS shall comprise a maximum of five directors, three of whom shall be appointed by STSIL, comprising the majority members and two of whom shall be appointed by CIHKL.

Transfer of Shares

The shareholders of STAHS shall be subject to certain transfer restrictions (including a right of first offer) in a proposed transfer of equity interests in STAHS in accordance with the terms set out in the Shareholders' Agreement. In all cases, completion of any transfer of shareholding interest in STAHS shall be subject to compliance with the applicable Listing Rules requirements.

REASONS FOR AND BENEFITS OF THE OCEAN PARK PROJECT AND THE JV FORMATION

In recent years, the Group has been making continuous efforts in seeking new business opportunities in cultural tourism projects and developing the strategy of "Tourism+" to foster growth in its hospitality businesses.

Leveraging on Ocean Park's iconic brand and long-lasting popularity as a premier tourist destination in Hong Kong, the participation in the Project is expected to further diversify the Company's business portfolio, creating synergies and growth to its operations and potentially bringing long-term financial returns to the Shareholders.

Further, AJ Hackett International is a world-leading adventure tourism company. The Group has a solid working relationship with the AJ Hackett team through the joint venture for Skypark Macau for over twenty years and, through the JV Formation, the Group will continue to leverage on the experience and expertise of the AJ Hackett team in the development, management and operation of the Adventure Zone.

In view of the above, the Company believes that the Ocean Park Project and the JV Formation are in line with the Company's general business objectives and enhance the development strategies of the Group.

Taking into consideration the reasons for and benefits of the Ocean Park Project and the JV Formation, the Directors (including the independent non-executive Directors) are of the view that the terms of the Ocean Park Project and the JV Formation (including the CIHKL Loan) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. No Directors had any material interest in the Ocean Park Project and the JV Formation (including the CIHKL Loan) nor were required to abstain from voting on the relevant resolutions at the Board meeting.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Transactions exceed 5% but are all less than 25%, the Transactions constitute a discloseable transaction for the Company, and are therefore subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

GENERAL INFORMATION ON THE GROUP, STSIL, STTI AND STAHS

The Company is an investment holding company incorporated in Hong Kong with limited liability and, together with its subsidiaries, is principally engaged in a number of business activities including property development, investment and management, hospitality, transportation and investments.

STSIL is an investment holding company incorporated in Hong Kong with limited liability and is indirectly wholly-owned by STTI.

STTI is an investment holding company incorporated in Hong Kong with limited liability and is wholly-owned by the Company.

STAHS is a company incorporated in Hong Kong with limited liability and a subsidiary of the Company which is held as to 50% by STSIL and 50% by CIHKL, and the accounts of STAHS will be consolidated into the Group. It has not yet commenced business operations as at the date of this announcement.

GENERAL INFORMATION ON CIHKL AND AJ HACKETT INTERNATIONAL

CIHKL, a company incorporated in Hong Kong with limited liability, is principally engaged in investment holding.

AJ Hackett International is a company incorporated in Singapore with limited liability and is principally engaged in the management of the “Skypark by AJ Hackett” brand.

DEFINITIONS

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

“Adventure Zone”	a new adventure park to be developed at the designated area inside Ocean Park in accordance with the requirements set out in the Agreements
“Agreements”	the Development and Operating Agreement and the Sub-Lease
“AJ Hackett International”	AJ Hackett International Pte Ltd., a company incorporated in Singapore with limited liability and wholly-owned by Mr. AJ Hackett as at the date of this announcement
“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)
“CIHKL”	Coldharbour Investments Hong Kong Limited, a company incorporated in Hong Kong with limited liability and wholly-owned by Mr. AJ Hackett as at the date of this announcement
“CIHKL Loan”	the loan to be provided by STDL to CIHKL for the sole purpose of CIHKL’s satisfaction of its share of shareholders’ contribution to be injected into STAHS, details of which are set out in the paragraph headed “The CIHKL Loan” under the section headed “The JV Formation” in this announcement
“Development and Operating Agreement”	the development and operating agreement dated 24 October 2024 entered into between STAHS and Ocean Park Corporation in respect of the development and operation of the Adventure Zone in Ocean Park
“Director(s)”	the director(s) of the Company

“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 PRC
“JV Formation”	the establishment of a joint venture between STSIL and CIHKL for the purpose of the Ocean Park Project pursuant to the Shareholders’ Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. AJ Hackett”	Allan John Hackett
“Ocean Park”	Ocean Park Hong Kong, a public recreational, educational and conservational park situated in Hong Kong
“Ocean Park Corporation”	statutory body incorporated under the Ocean Park Corporation Ordinance (Chapter 388) with the principal activity to manage and control Ocean Park as a public recreational, educational and conservational park
“Ocean Park Project”	the development and operation of the Adventure Zone in accordance with the Agreements
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Shareholders’ Agreement”	the agreement entered into between STSIL, CIHKL, STAHS, STTI and AJ Hackett International dated 24 October 2024 in relation to, among other things, the rights and obligations as shareholders of STAHS and the JV Formation
“STAHS”	Shun Tak AJ Hackett Skypark Holdings Limited, a company incorporated in Hong Kong with limited liability, established for the purpose of the Ocean Park Project, which is held as to 50% by each of STSIL and CIHKL as of the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“STDL”	Shun Tak Development Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“STSIL”	Shun Tak Skypark Investment (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“STTI”	Shun Tak Tourism Investment Holdings Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Sub-Lease”	the sub-lease dated 24 October 2024 entered into between STAHS and Ocean Park Corporation granting a sub-lease of the Adventure Zone in Ocean Park to STAHS
“Total Development Costs”	the aggregate development and construction costs and working capital for the Ocean Park Project, which are estimated to be not exceeding HK\$352 million
“Transactions”	the transactions contemplated under the Agreements, the JV Formation and the CIHKL Loan
“%”	percent

In this announcement, unless the context otherwise requires, the terms “connected person(s)”, “insignificant subsidiary”, “subsidiary(ies)” and “substantial shareholder(s)” 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, 24 October 2024

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