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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>

VOLUNTARY ANNOUNCEMENT

MEMORANDUM OF UNDERSTANDING IN RELATION TO THE DISPOSAL OF PROPERTIES

This announcement is made by Shun Tak Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to keep its shareholders and potential investors apprised of the Group’s latest business development.

MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 11 December 2024 (after trading hours), the Company’s wholly-owned subsidiary (being Zhuhai Hengqin Shun Tak Property Development Company Limited* (珠海橫琴信德房地產開發有限公司) (the “**Vendor**”) entered into a memorandum of understanding (the “**MOU**”) with SJM - Investment Limited (the “**Purchaser**”).

Subject matter

Pursuant to the MOU, the Vendor intends to sell and the Purchaser intends to buy certain office units and a retail unit (the “**Properties**”) comprised in the Group’s Xin De Kou An Shang Wu Zhong Xin* (信德口岸商務中心) (the “**Project**”) located at No. 28 Xinde Jie, Hengqin New District, Zhuhai (珠海市橫琴新區信德街28號), the People’s Republic of China (the “**PRC**”) for a total cash consideration (the “**Consideration**”) of RMB546 million (equivalent to approximately HK\$584 million) exclusive of tax (the “**Possible Disposal**”), which amount was arrived at after discussions between the parties.

The Purchaser intends to acquire the Properties for conversion into hotel use (“**Conversion**”), the relevant works for which (“**Conversion Works**”) will be carried out by the Vendor. According to the Purchaser, it expects to establish a project company (“**ProjectCo**”) in the PRC to complete the acquisition.

Exclusivity period

Pursuant to the MOU, the Vendor has agreed not to enter into any agreement (or other contractual document) with any person other than the Purchaser concerning the Possible Disposal for a period commencing on the date of the MOU until 30 June 2025 (or such longer period as the parties may agree) (“**Exclusivity Period**”).

The parties intend to enter into a formal and binding sale and purchase agreement (“**Definitive Agreement**”) and other transaction document(s) in respect of the Possible Disposal after reaching consensus on other terms of the transaction in accordance with applicable laws and internal requirements.

Non-legally binding effect

Save for the provisions relating to confidentiality, exclusivity, termination, legal effect, counterparts, governing law and dispute resolution, the MOU does not constitute a legally binding commitment on either party with respect to the Possible Disposal (including the Consideration).

Conditions precedent

It is intended that completion of the Possible Disposal would be conditional upon the satisfaction (or waiver, as applicable) of the following conditions precedent (“**Conditions**”):

- (1) the Vendor having satisfied all applicable requirements of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the Possible Disposal;
- (2) the Purchaser or ProjectCo having satisfied all applicable requirements of the Listing Rules in respect of the Possible Disposal;
- (3) the parties having communicated with, submitted an application (and related information) to and obtained a definitive response/approval for Conversion from relevant competent authorities, such response/approval being satisfactory to the Purchaser and ProjectCo;
- (4) the Purchaser (or its professional adviser) having completed due diligence investigation in respect of the Properties, the results of which being reasonably satisfactory to the Purchaser; and
- (5) any other condition which may be agreed by the parties in the Definitive Agreement (if any).

For the avoidance of doubt, the Purchaser or ProjectCo is entitled to waive Conditions (3) and (4) above.

Conversion Works

If the Possible Disposal materialises (subject to approval of the Conversion), the Purchaser and ProjectCo intend to authorise the Vendor to carry out Conversion Works in accordance with the designs, standards and scope of works to be agreed by both parties, with a total provisional budget of RMB85 million (equivalent to approximately HK\$91 million).

Subject to the conditions as may be agreed in the Definitive Agreement (if any), it is intended that the Conversion Works would be completed within 12 months after obtaining the relevant construction permit.

Car parks

The Vendor agrees to provide ProjectCo with the right to use sixty (60) parking spaces located in the Project, free of charge, during such period when ProjectCo is the registered owner of the Properties.

Termination

The MOU is terminable either (i) by written notice of termination from one party to another; or (ii) on expiry of the Exclusivity Period if no Definitive Agreement had been entered into at such time.

INFORMATION ON THE PROPERTIES AND THE PURCHASER

The Properties comprise strata office units on Level 21 to Level 29 of the office tower at No. 59 Jilin Road, Hengqin New District, Zhuhai (珠海市橫琴新區吉臨路59號) and a retail unit situated at No. 28 Xinde Jie, Hengqin New District, Zhuhai (珠海市橫琴新區信德街28號) of the Project. The aggregate gross floor area of the Properties is approximately 14,845 square meters. The Project is conveniently connected to the Hengqin Port (a cross-border facility operating 24 hours a day) and sits at the intersection of the Guangzhou-Zhuhai Intercity Railway and the future Macau Light Rapid Transit Station.

The Purchaser, a company established in the Macau Special Administrative Region of the PRC (“**Macau**”) with limited liability, is principally engaged in investment in real estate, management of its own shareholdings and provision of healthcare services. It is a direct wholly-owned subsidiary of SJM Resorts, S.A. and an indirect subsidiary of SJM Holdings Limited, whose shares are listed on the Stock Exchange (Stock Code: 880). SJM Resorts, S.A. is a joint stock company incorporated under the laws of Macau and a subsidiary of SJM Holdings Limited.

REASONS FOR AND BENEFITS OF THE POSSIBLE DISPOSAL

The Company is an investment holding company incorporated in the Hong Kong Special Administrative Region of the PRC (“**Hong Kong**”) with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 242). The Group is engaged in a number of business activities including property development, investment and management, hospitality, transportation and investments.

In July 2024, the Hengqin Guangdong-Macau In-Depth Cooperation Zone (橫琴粵澳深度合作區) (“**In-Depth Cooperation Zone**”) Executive Committee released a policy permitting property developers to convert office or commercial buildings into hotels within the In-Depth Cooperation Zone. The Group is supportive of the said initiative and subject to approval of the Conversion, the Purchaser intends to transform the Properties into a 3-star hotel, which is expected to attract new travellers and generate greater foot traffic for the benefit of the Project. As a result, it will also contribute to the hospitality and tourism development in Hengqin. In addition, the Possible Disposal will enhance the cash position of the Group.

The Board wishes to emphasise that the Possible Disposal may or may not proceed, and no Definitive Agreement had been entered into as at the date of this announcement. If the Possible Disposal materialises, it may constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. Further announcement(s) will be made by the Company as and when required in accordance with the Listing Rules. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company’s securities.

** For identification purpose only*

For the purpose of this announcement only, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the approximate exchange rate of RMB1.00 to HK\$1.07. This exchange rate is adopted for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at this rate or any other rates at all.

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

Hong Kong, 11 December 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.