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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Shun Tak Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the licensed securities dealer or registered institution in securities, or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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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>**

**CONTINUING CONNECTED TRANSACTIONS WITH STDM  
IN RELATION TO  
EXTENSION OF FUEL ARRANGEMENT**

**Independent financial adviser to the independent board committee  
and the independent shareholders of Shun Tak Holdings Limited**



**PLATINUM**  
Securities

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A letter from the Board is set out on pages 4 to 8 of this circular. A letter from the Independent Board Committee is set out on pages 9 and 10 of this circular. A letter from Platinum Securities containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 11 to 17 of this circular.

A notice convening the EGM to be held at the Grand Ballroom, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Wednesday, 11 December 2013 at 3:00 p.m. is set out on pages 28 to 29 of this circular. Whether or not you are able to attend the EGM, please complete and return to the registered office of the Company at Penthouse 39th Floor, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof should you so wish.

15 November 2013

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“Abstained Directors”	being Dr. Stanley Ho, Dato’ Dr. Cheng Yu Tung, 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 FAA Extension in view of their respective interests in STDM
“Associate(s)”	as defined under the Listing Rules
“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
“EGM”	an extraordinary general meeting to be convened by the Company for the purposes of considering and (if thought fit) approving the FAA Extension (including the proposed annual caps)
“FAA Extension”	proposed extension of the Fuel Arrangement pursuant to the terms and conditions of the FAA Extension Agreement
“FAA Extension Agreement ”	the amendment agreement entered into between STCTS and STDM on 25 October 2013 to renew the Fuel Arrangement Agreement
“Fuel”	marine industrial diesel oil
“Fuel Arrangement”	the supply and loading of Fuel onto STCTS Vessels at the Terminal by STDM pursuant to the Fuel Arrangement Agreement
“Fuel Arrangement Agreement”	the fuel arrangement agreement entered into between STCTS and STDM in relation to the Fuel Arrangement dated 23 December 2004, as amended by a letter agreement dated 12 November 2007 and 28 October 2010
“Fuel Arrangement Fee”	the fee payable by STCTS to STDM for the supply and loading of Fuel onto STCTS Vessels
“Group”	the Company together with its subsidiaries

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## DEFINITIONS

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“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 Sir Roger Lobo, Mr. Norman Ho, Mr. Charles Ho and Mr. Michael Ng, being all the independent non-executive Directors, which has been established to advise the Independent Shareholders in respect of the FAA Extension (including the proposed annual caps)
“Independent Shareholders”	Shareholders (other than (1) Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho, Mrs. Louise Mok, Shun Tak Shipping Company, Limited and those of its subsidiaries which are Shareholders, Renita Investments Limited and Oakmount Holdings Limited; and (2) any other Shareholders (if any) with a material interest in the FAA Extension) who are not required to abstain from voting at the EGM or any adjourned meeting thereof for approving the FAA Extension (including the proposed annual caps)
“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%
“Latest Practicable Date”	13 November 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“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
“Platinum Securities”	Platinum Securities Company Limited, a licensed corporation under the SFO licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the FAA Extension (including the proposed annual caps)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	shares(s) of HK\$0.25 each in the capital of the Company

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## DEFINITIONS

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“Shareholder(s)”	the 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, with 71% of its issued share capital directly owned by Interdragon
“STCTS Group”	STCTS and its subsidiaries
“STCTS Vessels”	the vessels managed and operated by the STCTS Group
“STDM”	Sociedade de Turismo e Diversões de Macau, S.A., a company incorporated in Macau
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Terminal”	Macau Outer Harbour Terminal, Macau
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

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LETTER FROM THE BOARD

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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>**

*Directors:*

Dr. Stanley Ho (*Group Executive Chairman*)

Sir Roger Lobo<sup>\*\*</sup>

Mr. Norman Ho<sup>\*\*</sup>

Mr. Charles Ho<sup>\*\*</sup>

Mr. Michael Ng<sup>\*\*</sup>

Dato' Dr. Cheng Yu Tung<sup>\*</sup>

Mrs. Louise Mok<sup>\*</sup>

Ms. Pansy Ho (*Managing Director*)

Ms. Daisy Ho (*Deputy Managing Director*)

Ms. Maisy Ho

Mr. David Shum

Mr. Rogier Verhoeven

*Registered office:*

Penthouse 39th Floor

West Tower, Shun Tak Centre

200 Connaught Road Central

Hong Kong

<sup>\*</sup> *Non-executive Director*

<sup>\*\*</sup> *Independent non-executive Director*

15 November 2013

*To the Shareholders*

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS WITH STDM  
IN RELATION TO  
EXTENSION OF FUEL ARRANGEMENT**

**INTRODUCTION**

It was announced in the Company's announcement dated 25 October 2013 that, among other things, STCTS entered into the FAA Extension Agreement with STDM on 25 October 2013 to continue the Fuel Arrangement for a further period of three years from 1 January 2014 until 31 December 2016.

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## LETTER FROM THE BOARD

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The Fuel Arrangement constitutes continuing connected transactions of the Company under the Listing Rules and is subject to Independent Shareholders' approval.

The purpose of this circular is to provide you with, among other things, (i) details of the FAA Extension (including the proposed annual caps); (ii) the recommendations from the Independent Board Committee and the advice from Platinum Securities to the Independent Board Committee and the Independent Shareholders on the FAA Extension; and (iii) notice of the EGM at which an ordinary resolution shall be proposed to consider and approve the FAA Extension (including the proposed annual caps).

### **THE FUEL ARRANGEMENT**

Reference is made to the announcement of the Company dated 28 October 2010 and the circular of the Company dated 18 November 2010 in relation to, among other things, the Fuel Arrangement Agreement which will expire on 31 December 2013. On 25 October 2013, STCTS entered into the FAA Extension Agreement with STDM to continue STDM's appointment to supply and load Fuel onto STCTS Vessels for a further period of three years.

#### **The FAA Extension Agreement**

The FAA Extension Agreement will take effect from 1 January 2014 for three years until 31 December 2016, unless early terminated by either party giving to the other not less than 3 months prior written notice. The parties may thereafter enter into a new agreement or renew the FAA Extension Agreement for further period of three years or such other period as may be mutually agreed and subject to the Listing Rules requirements.

#### **Scope of Services**

Pursuant to the FAA Extension Agreement, STDM will continue to supply and load Fuel onto STCTS Vessels and to maintain, manage and operate the Fuel storage tanks and other necessary equipment for the supply of Fuel such as filtration equipment, delivery hose and fuel pipes located at the Terminal. In order to ensure that the Fuel supply procedures are in compliance with STCTS requirements, the STCTS Group will continue to provide technical assistance to STDM at the Terminal.

#### **Consideration**

Under the FAA Extension Agreement, STCTS will continue to pay to STDM the Fuel Arrangement Fee which will be calculated based on the cost charged by the Macau petroleum supplier, plus a specified handling charge of HK\$0.09 per liter of Fuel, and less the fee charged by the STCTS Group on STDM on cost basis for the related technical assistance.

#### **Historical Figures**

The historical amounts of Fuel Arrangement Fee paid by STCTS to STDM for the two financial years ended 31 December 2011 and 2012 and the nine months ended 30 September 2013 amounted to HK\$363.0 million, HK\$407.2 million and HK\$328.4 million respectively.

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## LETTER FROM THE BOARD

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### Proposed Annual caps

Set out below are the proposed new annual caps on the Fuel Arrangement Fee under the FAA Extension Agreement for the financial years ending 31 December 2014, 2015 and 2016 respectively:

<b>Financial year ending</b>	<b>Fuel Arrangement Fee</b> <i>HK\$' million</i>
31 December 2014	589.0
31 December 2015	589.0
31 December 2016	589.0

The new annual caps proposed above are determined with reference to (i) the historical amounts of Fuel Arrangement Fee paid by STCTS for the two financial years ended 31 December 2011 and 2012 and the first nine months of 2013; (ii) the market trend of Fuel prices which will continue to maintain at a higher level as anticipated by various third party research reports; (iii) the projected usage of Fuel by STCTS Vessels during each of the three years ending 31 December 2014, 2015 and 2016, after taking into account the acquisition of seven additional vessels from New World First Holdings Limited as disclosed in the Company's announcement dated 11 August 2011 together with the growth and development of the general economy and the passenger ferry market in the Pearl River Delta; and (iv) a built-in 15% buffer to cater any unexpected movement of Fuel prices.

### BACKGROUND TO, AND REASONS FOR, THE FAA EXTENSION

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.

STCTS, the Group's shipping arm, is a major operator of passenger ferry services connecting Hong Kong, Macau and other ports in the Pearl River Delta.

STDM is a company incorporated in Macau and has diverse business interests predominantly based in Macau including but not limited to entertainment, leisure, sports, tourism and realty.

STDM is operating fuel supply and storage system at the Terminal and has been supplying Fuel to STCTS for over 16 years. The continuing appointment of STDM to supply Fuel to STCTS Vessels under the FAA Extension contributes to the operational efficiency of the STCTS Group by saving costs in operating its own Fuel supply system at the Terminal and reducing STCTS Vessels' on-board fuel load and thus their fuel consumption.

### LISTING RULES IMPLICATIONS OF THE FAA EXTENSION

STDM, being a substantial shareholder of Interdragon, is a connected person of the Company at subsidiary level under the Listing Rules. Pursuant to the FAA Extension Agreement, the Fuel Arrangement will continue to be conducted on an ongoing basis for a further period of three years from 1 January 2014 to 31 December 2016 and will constitute continuing connected transactions of the Company under the Listing Rules.



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## **LETTER FROM THE BOARD**

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The FAA Extension (including the proposed annual caps) is subject to the reporting, announcement and Independent Shareholders' approval requirements under Rules 14A.45 to 14A.48 of the Listing Rules. Appropriate disclosure of the relevant transactions will be made in the annual reports and accounts of the Company in accordance with the Listing Rules and such transactions will also be subject to the annual review requirements under Rules 14A.37 to 14A.40 of the Listing Rules.

Each of Dr. Stanley Ho, Dato' Dr. Cheng Yu Tung, Mrs. Louise Mok, Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho and Mr. David Shum has not given any opinion on, and has abstained from voting on the board resolutions in respect of the FAA Extension (including the proposed annual caps) in view of their respective interests in STDM.

Pursuant to Rule 14A.54 of the Listing Rules, any connected person and any Shareholder and their Associates with a material interest in the FAA Extension are required to abstain from voting on the ordinary resolution to be proposed at the EGM for approving the same. In this respect, Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho, Mrs. Louise Mok, Shun Tak Shipping Company, Limited (in which Dato' Dr. Cheng Yu Tung, Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho, Mrs. Louise Mok and Mr. David Shum have beneficial interests) and those of its subsidiaries which are Shareholders, Renita Investments Limited (in which Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho have beneficial interests) and Oakmount Holdings Limited (in which Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho have beneficial interests) who in aggregate held approximately 53.07% of the issued share capital of the Company as at the Latest Practicable Date, are required to abstain from voting on the ordinary resolution to be proposed at the EGM or any adjourned meeting thereof for approving the FAA Extension (including the proposed annual caps).

### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising Sir Roger Lobo, Mr. Norman Ho, Mr. Charles Ho and Mr. Michael Ng, the four independent non-executive Directors, has been formed to consider, and to advise the Independent Shareholders on, the FAA Extension (including the proposed annual caps).

Platinum Securities has been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the FAA Extension (including the proposed annual caps). Its appointment has been approved by the Independent Board Committee.

### **RECOMMENDATION**

Having considered the reasons set out herein, the Directors (excluding the Abstained Directors) are of the view that the FAA Extension (including the proposed annual caps) are in the ordinary and usual course of business of the Company, on normal commercial terms, on terms that are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Therefore, the Directors (excluding the Abstained Directors) recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM for approving the FAA Extension (including the proposed annual caps).

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## LETTER FROM THE BOARD

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Your attention is drawn to the letter from the Independent Board Committee containing its recommendation to Independent Shareholders set out on pages 9 and 10 of this circular, the letter from Platinum Securities set out on pages 11 to 17 of this circular before considering whether to vote in favour or against the ordinary resolution to be proposed at the EGM for approving the FAA Extension (including the proposed annual caps) as set out in notice of the EGM contained in this circular.

### EGM

A notice convening the EGM to be held at the Grand Ballroom, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Wednesday, 11 December 2013 at 3:00 p.m. is set out on pages 28 to 29 of this circular.

An ordinary resolution will be proposed at the EGM to approve the FAA Extension (including the proposed annual caps).

In accordance with the Listing Rules, the ordinary resolution to be proposed at the EGM to approve the FAA Extension (including the proposed annual caps) will be taken by poll.

A form of proxy for use at the EGM or any adjourned meeting is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the enclosed form of proxy and return it as soon as possible to the registered office of the Company at Penthouse 39th Floor, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong in accordance with the instructions printed thereon and in any event not less than 48 hours before the time appointed for holding the EGM or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof if you so wish.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information as set out in the appendix to this circular and the notice of the EGM as set out at the end of this circular.

Yours faithfully,  
For and on behalf of the Board  
**Shun Tak Holdings Limited**  
Pansy Ho  
*Managing Director*



**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>

15 November 2013

*To the Independent Shareholders*

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS WITH STDM  
IN RELATION TO  
EXTENSION OF FUEL ARRANGEMENT**

We refer to the circular dated 15 November 2013 of the Company (the “Circular”), of which this letter forms part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

We have been appointed to form the Independent Board Committee to consider the terms of the FAA Extension (including the proposed annual caps) and to advise the Independent Shareholders thereon. Platinum Securities has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the FAA Extension (including the proposed annual caps).

We wish to draw your attention to the letter from the Board, as set out on pages 4 to 8 of the Circular which contains details of the FAA Extension (including the proposed annual caps) and the letter from Platinum Securities as set out on pages 11 to 17 which contains its advice and recommendations in respect of the FAA Extension (including the proposed annual caps).

Having taken into account the advice and recommendations of Platinum Securities, we consider that the FAA Extension (including the proposed annual caps) is in the ordinary and usual course of business of the Company, on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

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We therefore recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the FAA Extension (including the proposed annual caps).

Yours faithfully,

For and on behalf of

**the Independent Board Committee of**

**Shun Tak Holdings Limited**

**Sir Roger Lobo, Mr. Norman Ho, Mr. Charles Ho and Mr. Michael Ng**

*Independent non-executive Directors*

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## LETTER FROM PLATINUM SECURITIES

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*The following is the text of the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders for the purpose of incorporation into this circular.*



**PLATINUM** Securities Company Limited

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Hong Kong

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**Website** [www.platinum-asia.com](http://www.platinum-asia.com)

15 November 2013

*To the Independent Board Committee and the Independent Shareholders*

Dear Sir or Madam,

### **CONTINUING CONNECTED TRANSACTIONS WITH STDM IN RELATION TO EXTENSION OF FUEL ARRANGEMENT**

#### **INTRODUCTION**

We refer to the announcement of the Company dated 25 October 2013. On 15 November 2013, the Company despatched a circular (the "Circular") in relation to the continuing connected transactions with STDM (the "Transactions") to the Shareholders, of which this letter forms part. Details of the Transactions are contained in the letter from the Board in the Circular which you should read carefully.

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the Transactions (including their proposed annual caps) are on normal commercial terms, in the ordinary and usual course of business of the Company, on terms that are fair and reasonable, in the interests of the Company and the Shareholders as a whole, and as to whether the Independent Shareholders should vote in favour of the Transactions. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

We are independent from, and are not connected with the Company or any other party to the Transactions or any of their respective associates, connected persons or parties acting in concert with any of them and accordingly, we are considered eligible to give independent advice to the Independent Board Committee and the Independent Shareholders.

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## LETTER FROM PLATINUM SECURITIES

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We will receive a fee from the Company for our role as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Transactions. Apart from this normal professional fee payable to us in connection with this appointment, no arrangements exist whereby we will receive any fees or benefits from the Company or any other party to the Transactions or any of their respective associates, connected persons or parties acting in concert with any of them.

In formulating our opinion, we have relied on the information and facts supplied to us by the Company. We have reviewed, among other things: the annual report of the Group for the financial year ended 31 December 2012 (the “2012 Annual Report”); and the interim report of the Group for the six months period ended 30 June 2013 (the “2013 Interim Report”).

We have assumed that all information, facts, opinions and representations contained in the Circular are true, complete and accurate in all material respects and we have relied on the same. The Directors have confirmed that they take full responsibility for the contents of the Circular and have made all reasonable inquiries that no material facts have been omitted from the information supplied to us.

We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy or completeness of the information of all facts as set out in the Circular and of the information and representations provided to us by the Company. Furthermore, we have no reason to suspect the reasonableness of the opinions and representations expressed by the Company and/or the Directors which have been provided to us. In line with normal practice, we have not, however, conducted a verification process of the information supplied to us, nor have we conducted any independent in-depth investigation into the business and affairs of the Company. We consider that we have reviewed sufficient information to enable us to reach an informed view and to provide a reasonable basis for our opinion regarding the Transactions.

The Independent Board Committee, comprising all the independent non-executive Directors, namely, Sir Roger Lobo, Mr. Norman Ho, Mr. Charles Ho and Mr. Michael Ng, has been established to advise the Independent Shareholders in relation to the Transactions.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In formulating our opinion in relation to the Transactions and giving our independent financial advice to the Independent Board Committee and the Independent Shareholders, we have considered the following principal factors and reasons:

#### **1. Background of the Transactions**

On 25 October 2013, STCTS entered into the FAA Extension Agreement with STDM to continue STDM’s appointment to supply and load Fuel onto STCTS Vessels for a further period of three years from 1 January 2014 until 31 December 2016.

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## LETTER FROM PLATINUM SECURITIES

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### 2. Business of the Group

The Company is an investment holding company and its subsidiaries are engaged in a number of business activities including property development, investment and management, transportation, hospitality and investment holding. STCTS, the Group's shipping arm, is a major operator of passenger ferry services connecting Hong Kong, Macau and other ports in the Pearl River Delta.

### 3. Principal terms of the Transactions

#### *The FAA Extension Agreement*

##### *Date*

25 October 2013

##### *Parties*

STCTS and STDM

##### *Term*

The FAA Extension Agreement will take effect from 1 January 2014 for three years until 31 December 2016 unless being early terminated by either party giving to the other not less than 3 months prior written notice. The parties may thereafter enter into a new agreement or renew the FAA Extension Agreement for further period of three years or such other period as may be mutually agreed and subject to the Listing Rules requirements.

##### *Scope of Services*

Pursuant to the FAA Extension Agreement, STDM will continue to supply and load Fuel onto STCTS Vessels and to maintain, manage and operate the Fuel storage tanks and other necessary equipment for the supply of Fuel such as filtration equipment, delivery hose and fuel pipes located at the Terminal. In order to ensure that the Fuel supply procedures are in compliance with STCTS requirements, the STCTS Group will continue to provide technical assistance to STDM at the Terminal.

##### *Consideration*

Under the FAA Extension Agreement, STCTS will continue to pay to STDM the Fuel Arrangement Fee which will be calculated based on the cost charged by the Macau petroleum supplier, plus a specified handling charge of HK\$0.09 per liter of Fuel, and less the fee charged by the STCTS Group on STDM on cost basis for the related technical assistance.

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## LETTER FROM PLATINUM SECURITIES

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Based on our discussion with the management of the Company, we understand that currently STDM is the sole supplier of Fuel at the Terminal. As such, we are not able to obtain the Fuel price charged by other independent third parties at the Terminal for comparison. STDM has been charging a specified handling charge of HK\$0.09 per liter of Fuel on the top of its purchase cost from its Macau petroleum supplier to STCTS, and less the fee charged by the STCTS Group on STDM on cost basis for the related technical assistance. We understand that it is in line with market practice for a terminal operator to charge a handling fee on top of its Fuel purchase cost for supplying Fuel as advised by the management of the Group. Similarly, STCTS has similar arrangements for supplying Fuel to other independent vessel operators in Hong Kong and has been charging similar handling charges per liter of Fuel on the top of its purchase cost from its petroleum supplier in Hong Kong. According to the information provided by the Group, we note that the rate of handling charge paid to STDM is lower than the rate of handling charge STCTS is charging other independent vessel operators. As such, we are of the view that the Fuel Arrangement Fee is on normal commercial terms and is fair and reasonable.

### *Reason for the FAA Extension Agreement*

As stated in the letter from the Board in the Circular, STDM is operating fuel supply and storage system at the Terminal and has been supplying Fuel to STCTS for over 16 years. The continuing appointment of STDM to supply and load Fuel onto STCTS Vessels under the FAA Extension contributes to the operational efficiency of the STCTS Group by saving costs in operating its own Fuel supply system at the Terminal and reducing STCTS Vessels' on-board fuel load and thus their fuel consumption. Given STDM is the operator of the fuel supply and storage system at the Terminal and the daily operation of the STCTS Vessels is highly dependent on a steady and efficiency supply of Fuel, we are of the view that the FAA Extension Agreement is in the interests of the Company and the Shareholders as a whole.

#### **4. Basis of the proposed annual caps of the Fuel Arrangement**

##### *Historical figures*

Table 1 below shows the historical amounts of the Fuel Arrangement Fee paid by STCTS to STDM for the two financial years ended 31 December 2011 and 2012 and the nine months period ended 30 September 2013.



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## LETTER FROM PLATINUM SECURITIES

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**Table 1: Historical amounts of the Fuel Arrangement Fee**

	<b>For the financial year ended 31 December 2011 Audited HK\$'million</b>	<b>2012 Audited HK\$'million</b>	<b>For the nine months ended 30 September 2013 Unaudited HK\$'million</b>
Fuel Arrangement Fee	363.0	407.2	328.4

*Source: Letter from the Board in the Circular*

As illustrated in the Table 1 above, the historical amounts of Fuel Arrangement Fee paid by STCTS to STDM increased in 2012 and management believes the Fuel Arrangement Fee for the financial year ending 31 December 2013 will be slightly higher than that for the financial year ended 31 December 2012 as the fourth quarter of a calendar year is usually the busiest. Based on our discussion with the management of the Group, we understand that the Fuel Arrangement Fee comprises two major components, namely, Fuel consumption and Fuel price. We also note that as disclosed in the Company's announcement dated 11 August 2011, STCTS acquired the passenger ferry business, which comprised 7 vessels, from New World First Holdings Limited, which contributed to the increase in Fuel consumption of STCTS in 2012. Nevertheless, we noted that the utilisation rate of annual caps for the two financial years ended 31 December 2012 reached over 80% and the utilisation rate for the nine months ended 30 September 2013 has already reached over 60%. It indicates that management estimation of the historical annual caps was close to actual usage.

### ***Proposed annual caps***

Table 2 below shows the proposed annual caps for the Fuel Arrangement Fee for the three financial years ending 31 December 2014, 2015 and 2016.

**Table 2: Proposed annual caps for Fuel Arrangement Fee**

<b>Financial year ending</b>	<b>Fuel Arrangement Fee HK\$'million</b>
31 December 2014	589.0
31 December 2015	589.0
31 December 2016	589.0

*Source: Letter from the Board in the Circular*

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## LETTER FROM PLATINUM SECURITIES

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As stated in the letter from the Board in the Circular, the proposed annual caps for the FAA Extension are determined with reference to:

- (i) the historical amounts of Fuel Arrangement Fee paid by STCTS for the two financial years ended 31 December 2011 and 2012 and the first nine months of 2013;
- (ii) the market trend of Fuel prices which will continue to maintain at a higher level as anticipated by various third party research reports;
- (iii) the projected usage of Fuel by STCTS Vessels during each of the three years ending 31 December 2014, 2015 and 2016, after taking into account the acquisition of seven additional vessels from New World First Holdings Limited as disclosed in the Company's announcement dated 11 August 2011 together with the growth and development of the general economy and the passenger ferry market in the Pearl River Delta; and
- (iv) a built-in 15% buffer to cater any unexpected movement of Fuel prices.

According to the Statistics and Census Service of the Macau government, the gross domestic product ("GDP") of Macau increased by approximately 10.2% year-on-year in the second quarter of 2013; and visitor arrivals for the nine months ended 30 September 2013 reached 21.9 million, representing a year-on-year growth of approximately 5.0%. Based on our discussion with the management of the Company, we understand that though there was demand growth in passenger ferry services, management of the Company believes the current operation scale is able to match the demand by improving operating efficiency in the coming three years. Therefore, it is expected that the Group will maintain its operation scale and accordingly, the Fuel consumption of STCTS will remain stable. Together with high utilisation of the historical annual caps for the two financial years ended 31 December 2011 and 2012 and the anticipated high utilisation of the annual cap for the financial year ending 31 December 2013, we consider the proposed annual cap for the financial year ending 31 December 2014, which represents a slight increment of 8.7% comparing to the annual cap of 2013 to accommodate a slight adjustment of Fuel price, is fair and reasonable.

In addition, based on our discussion with the management of the Company, they are of the view that the Fuel price per barrel will continue to maintain at a higher level for the three financial years ending 31 December 2016. We concur with the management of the Company that the Fuel price will continue to maintain at a higher level after we have reviewed (i) the historical Fuel price trend from 1 January 2011 to 31 October 2013; (ii) market reports in relation to the Fuel price trend issued by independent research entities; and (iii) public industry data regarding the Fuel supply and demand. We have also reviewed the estimated calculation of the proposed annual caps and relevant supporting documents supplied to us by the management of the Company and concur that the ferry operation of the Company will remain stable. As such we are of the view that it is fair and reasonable to set the respective annual caps for the three financial years ending 31 December 2016 at the same level.

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## LETTER FROM PLATINUM SECURITIES

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After discussion with the management of the Company, we understand that there is a built-in 15% buffer for the proposed annual caps. This buffer represents a one-off increment to cater any unexpected movements of Fuel price for the coming three financial years ending 31 December 2016. As discussed above, we have reviewed the historical Fuel price trend from 1 January 2011 to 31 October 2013. We note that the average Fuel price per barrel between January 2011 and October 2013 was approximately US\$125, while the maximum Fuel price per barrel reached approximately US\$138 during such period. As such, we are of the view that it is prudent to include a built-in 15% buffer for the proposed annual caps based on the historical performance of the Fuel price.

Having considered the above factors, we are of the view that the proposed annual caps for the FAA Extension are fair and reasonable.

### RECOMMENDATION

We have considered the above principal factors and reasons and in particular, have taken into account the following factors in arriving at our opinion:

- (i) the entering into of the FAA Extension Agreement is in the ordinary and usual course of business of the Group and is in the interest of the Company and the Shareholders as a whole;
- (ii) the Fuel Arrangement Fee payable by STCTS to STDM is on normal commercial terms and is fair and reasonable; and
- (iii) the proposed annual caps for the FAA Extension are fair and reasonable.

Having considered the above, we are of the view that the terms of the Transactions are in the ordinary and usual course of business, on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders and we recommend the Independent Shareholders to vote in favour of the ordinary resolution in respect of the Transactions to be proposed at the EGM.

Yours faithfully,  
For and on behalf of  
**Platinum Securities Company Limited**  
**Lenny Li**  
*Director*

**A. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

**B. DISCLOSURE OF INTERESTS****(1) Disclosure of Directors' Interests**

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company and their Associates in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules, were as follows:

**(a) Interests of the Directors in Shares and Underlying Shares of the Company**

Name of Director	Nature of interests	Number of Shares held		Approximate percentage of total issued Shares
		Personal interests	Corporate interests	
		<i>Note</i>	<i>Note</i>	<i>Note (i)</i>
Dr. Stanley Ho	Interests in unissued Shares	—	148,883,374 (iv)	4.97%
	Interests in underlying Shares	1,798,559 (ii)	—	0.06%
Sir Roger Lobo	Interests in underlying Shares	1,132,124 (ii)	—	0.04%
Mr. Norman Ho	Interests in underlying Shares	1,132,124 (ii)	—	0.04%
Mr. Charles Ho	Interests in underlying Shares	1,132,124 (ii)	—	0.04%
Mr. Michael Ng	Interests in underlying Shares	11,315,577 (iii)	—	0.38%
Dato' Dr. Cheng Yu Tung	Interests in underlying Shares	1,132,124 (ii)	—	0.04%
Mrs. Louise Mok	Interests in issued Shares	471,112	—	0.02%
	Interests in underlying Shares	1,132,124 (ii)	—	0.04%
Ms. Pansy Ho	Interests in issued Shares	142,748,268	313,798,627 (v)	15.23%
	Interests in unissued Shares	—	148,883,374 (iv)	4.97%
	Interests in underlying Shares	11,509,669 (ii)	—	0.38%

Name of Director	Nature of interests	Number of Shares held		Approximate percentage of total issued Shares
		Personal interests	Corporate interests	
		<i>Note</i>	<i>Note</i>	<i>Note (i)</i>
Ms. Daisy Ho	Interests in issued Shares	66,860,489	134,503,471 (vi)	6.72%
	Interests in unissued Shares	—	148,883,374 (iv)	4.97%
	Interests in underlying Shares	13,775,856 (ii)	—	0.46%
Ms. Maisy Ho	Interests in issued Shares	26,060,598	31,717,012 (vii)	1.93%
	Interests in underlying Shares	12,840,605 (ii)	—	0.43%
Mr. David Shum	Interests in underlying Shares	5,660,377 (ii)	—	0.19%

*Notes:*

- (i) As at the Latest Practicable Date, the total number of issued Shares was 2,996,880,719.
- (ii) These represented the interests in underlying shares in respect of share options granted by the Company, details of which are disclosed in sub-paragraph (2) headed “Share Options” below.
- (iii) These interests in underlying shares comprised (a) 5,665,860 underlying shares in respect of share options granted by the Company, details of which are disclosed in sub-paragraph (2) headed “Share Options” below; and (b) 5,649,717 shares issuable to Mr. Michael Ng upon conversion of the Convertible Bonds (as defined hereunder in sub-paragraph (1)(d) headed “Interests of the Directors in Debentures of Other Associated Corporations of the Company”) for an aggregate nominal amount of HK\$40,000,000 held by him as at the Latest Practicable Date and based on the adjusted conversion price of HK\$7.08 (with effect from 11 June 2013) per share, details of which are disclosed in sub-paragraph (1)(d) headed “Interests of the Directors in Debentures of Other Associated Corporations of the Company” below.
- (iv) These 148,883,374 unissued shares, in which Dr. Stanley Ho, Ms. Pansy Ho and Ms. Daisy Ho were deemed to be interested by virtue of the SFO, were the same parcel of shares, and represented shares to be issued to Alpha Davis Investments Limited (“ADIL”) upon completion of the acquisition as described in the Company’s circular dated 17 December 2004. ADIL is owned as to 47% by Innowell Investments Limited (“IIL”) and 53% by Megaprospere Investments Limited (“MIL”). IIL is wholly-owned by Dr. Stanley Ho. MIL is owned as to 51% by Ms. Pansy Ho and 39% by Ms. Daisy Ho.
- (v) These 313,798,627 shares, in which Ms. Pansy Ho was deemed to be interested by virtue of the SFO, comprised 184,396,066 shares held by Beeston Profits Limited (“BPL”) and 129,402,561 shares held by Classic Time Developments Limited (“CTDL”). Both BPL and CTDL are wholly-owned by Ms. Pansy Ho.
- (vi) These 134,503,471 shares, in which Ms. Daisy Ho was deemed to be interested by virtue of the SFO, were held by St. Lukes Investments Limited, which is wholly-owned by Ms. Daisy Ho.
- (vii) These 31,717,012 shares, in which Ms. Maisy Ho was deemed to be interested by virtue of the SFO, were held by LionKing Offshore Limited, which is wholly-owned by Ms. Maisy Ho.

**(b) Interests of the Directors in Shares and Underlying Shares of Subsidiaries of the Company**

<b>Name of Director</b>	<b>Name of company</b>	<b>Corporate interests</b>	<b>Percentage of total issued shares</b> <i>Note (i)</i>
Dr. Stanley Ho	Shun Tak Cultural Centre Limited	4 ordinary shares	40.00%

*Note:*

- (i) As at the Latest Practicable Date, there was a total of 10 ordinary shares of Shun Tak Cultural Centre Limited in issue.

**(c) Interests of the Directors in Shares and Underlying Shares of Other Associated Corporations of the Company**

<b>Name of Director</b>	<b>Name of company</b>	<b>Corporate interests</b>	<b>Approximate percentage of total issued shares</b> <i>Note</i>
Ms. Pansy Ho	Shun Tak & CITS Coach (Macao) Limited	750 shares	(i) 15.00%
Mr. Rogier Verhoeven	Shun Tak Magsaysay China Recruitment and Training Limited	1,900 shares	(ii) 9.86%

*Notes:*

- (i) As at the Latest Practicable Date, there was a total of 5,000 shares of Shun Tak & CITS Coach (Macao) Limited in issue.
- (ii) As at the Latest Practicable Date, there was a total of 19,273 shares of Shun Tak Magsaysay China Recruitment and Training Limited in issue.

*(d) Interests of the Directors in Debentures of Other Associated Corporations of the Company*

Name of Director	Name of company	Personal interests	Approximate percentage of aggregate nominal amount of Convertible Bonds in issue <i>Note (i)</i>
Mr. Michael Ng	Joyous King Group Limited	HK\$40,000,000 <i>Note (ii)</i>	4.80%

*Notes:*

- (i) As at the Latest Practicable Date, the remaining outstanding aggregate principal amount of the 3.3% guaranteed convertible bonds due 2014 (stock code: 4313) were HK\$833,800,000 in issue by Joyous King Group Limited, an indirect wholly-owned subsidiary of the Company (the “Convertible Bonds”).
- (ii) As at the Latest Practicable Date, these Convertible Bonds for an aggregate nominal amount of HK\$40,000,000 held by Mr. Michael Ng would be convertible into 5,649,717 shares of the Company, representing approximately 0.19% of the issued share capital of the Company at the adjusted conversion price of HK\$7.08 (with effect from 11 June 2013) per share during the conversion period from 22 October 2010 to 15 October 2014 subject to the terms and conditions of the Convertible Bonds. These interests duplicate Mr. Michael Ng’s interests in underlying shares of the Company as disclosed in sub-paragraph (1)(a) headed “Interests of the Directors in Shares and Underlying Shares of the Company” above.

All the interests disclosed in sub-paragraphs (1)(a) to (1)(d) above represented long position interests in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

As at the Latest Practicable Date, save as disclosed in sub-paragraphs (1)(a) to (1)(d) above, none of the Directors or chief executive of the Company or any of their Associates had or were deemed to have any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## (2) Share Options

As at the Latest Practicable Date, details of outstanding share options held by the Directors under the share option scheme of the Company approved by Shareholders on 31 May 2002 (“2002 Share Option Scheme”) were as follows:

Name of Director	Note	Date of grant	Exercise period	Exercise price per Share (HK\$)	Number of share options outstanding as at the Latest Practicable Date
Dr. Stanley Ho	(i)	25 May 2004	25 May 2004 to 24 May 2014	2.78	1,798,559
Sir Roger Lobo	(i)	29 March 2011	29 March 2011 to 27 March 2021	3.86	1,132,124
Mr. Norman Ho	(i)	29 March 2011	29 March 2011 to 27 March 2021	3.86	1,132,124
Mr. Charles Ho	(i)	29 March 2011	29 March 2011 to 27 March 2021	3.86	1,132,124
Mr. Michael Ng	(ii)	1 February 2010	1 April 2010 to 31 January 2015	4.13	2,832,930
	(iii)	1 February 2010	1 April 2011 to 31 January 2015	4.13	2,832,930
Dato’ Dr. Cheng Yu Tung	(i)	29 March 2011	29 March 2011 to 27 March 2021	3.86	1,132,124
Mrs. Louise Mok	(i)	29 March 2011	29 March 2011 to 27 March 2021	3.86	1,132,124
Ms. Pansy Ho	(i)	25 May 2004	25 May 2004 to 24 May 2014	2.78	11,509,669
Ms. Daisy Ho	(i)	25 May 2004	25 May 2004 to 24 May 2014	2.78	13,775,856
Ms. Maisy Ho	(i)	25 May 2004	25 May 2004 to 24 May 2014	2.78	12,840,605
Mr. David Shum	(i)	22 September 2004	22 September 2004 to 21 September 2014	3.71	5,660,377

*Notes:*

- (i) These share options are exercisable during a period of 10 years commencing from their respective dates of grant. These share options were all vested on their respective dates of grant.
- (ii) These share options were vested on 1 April 2010.



- (iii) These share options were vested on 1 April 2011.
- (iv) Save as disclosed above, there are no other outstanding share options held by the Directors under the 2002 Share Option Scheme and the share option scheme adopted by the Shareholders at the Company's annual general meeting held on 6 June 2012.

### (3) Substantial Shareholders and Other Persons' Interests

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the following persons (not being a Director or chief executive of the Company) had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholder	Note	Nature of interests	Capacity	Long position/ short position	Number of Shares/ underlying Shares held	Approximate percentage of total issued Shares Note (i)
Renita Investments Limited ("Renita") and its subsidiary	(ii)	Interests in issued Shares	Beneficial owner and interests of controlled corporation	Long position	565,698,864	18.88%
Oakmount Holdings Limited ("Oakmount")	(ii)	Interests in issued Shares	Beneficial owner	Long position	396,522,735	13.23%
Shun Tak Shipping Company, Limited ("STS") and its subsidiaries	(iii)	Interests in issued Shares	Beneficial owner and interests of controlled corporations	Long position	373,578,668	12.47%
Beeston Profits Limited ("BPL")	(iv)	Interests in issued Shares	Beneficial owner	Long position	184,396,066	6.15%

*Notes:*

- (i) As at the Latest Practicable Date, the total number of issued Shares of the Company was 2,996,880,719.
- (ii) These 565,698,864 shares comprised 396,522,735 Shares held by Oakmount, which is wholly-owned by Renita and 65,040,000 Shares being interests pursuant to Section 317 agreement of the SFO. Accordingly, part of the interests of Renita in the Company duplicate the interests of Oakmount in the Company. Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho have beneficial interests in Renita and Oakmount. Both Ms. Pansy Ho and Ms. Daisy Ho are directors of Renita and Oakmount.
- (iii) Dr. Stanley Ho is a director of STS, Dato' Dr. Cheng Yu Tung, Ms. Pansy Ho and Ms. Daisy Ho have beneficial interests in and are directors of STS. Mrs. Louise Mok, Ms. Maisy Ho and Mr. David Shum have beneficial interests in STS.
- (iv) Ms. Pansy Ho has 100% interests in and is a director of BPL.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, no other persons (not being a Director or chief executive of the Company) had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

### **C. DIRECTORS' INTERESTS IN COMPETING BUSINESS**

As at the Latest Practicable Date, the Directors named in the paragraphs below have interests in businesses, which are considered to compete or likely to compete, either directly or indirectly, with the businesses of the Group.

Dr. Stanley Ho is a director of and has beneficial interests in Shun Tak Centre Limited ("STC") which is also engaged in the business of property investment. Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho and Mr. David Shum are also directors of STC.

Dr. Stanley Ho and Ms. Pansy Ho are directors of STDM which is also engaged in the businesses of property investment, property development and/or hospitality. Ms. Daisy Ho is an appointed representative of Lanceford Company Limited, a corporate director of STDM. Mr. David Shum is an appointed representative of the Company, a corporate director of STDM.

Dr. Stanley Ho is a director of Hong Kong Express Airways Limited which is engaged in the business of low cost airline.

Dato' Dr. Cheng Yu Tung is a director of Chow Tai Fook Enterprises Limited, Melbourne Enterprises Limited and Lifestyle International Holdings Limited together with its respective group of companies, which are also engaged in the businesses of property investment, property development, property management, transportation services and/or hospitality.

The above-mentioned competing businesses are managed by separate entities with independent management and administration. The Directors are of the view that the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of these entities. When making decisions, the relevant Directors, in performance of their duties as Directors of the Company, have acted and will continue to act in the best interests of the Group.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective associates had any interest in any company or business which competes or may compete with the business of the Group.

### **D. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which does not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

**E. DIRECTORS' INTERESTS IN ASSETS AND OTHER INTERESTS**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2012, being the date to which the latest published audited financial statements of the Group were made up.

**F. DIRECTORS' INTERESTS IN CONTRACTS AND ARRANGEMENTS**

- (a) Pursuant to a ticketing agreement entered into between STCTS and STDM on 25 October 2013, the STCTS Group sells to the STDM group the ferry tickets for the ferry services operated by the STCTS Group at a discount for a bulk purchase of ferry tickets by the STDM group for its own account. An announcement was made by the Company on 25 October 2013.
- (b) Pursuant to a master property services agreement entered into between the Company and STDM on 20 December 2012, the Group provides property related services to the STDM group, including sale, leasing, project management, property management, property cleaning and other property related services for the properties as designated by the STDM group and agreed by the Group from time to time. An announcement was made by the Company on 21 December 2012 in this respect.
- (c) Pursuant to the renewed master service agreement entered into between the Company and MGM Grand Paradise Limited ("MGM") on 8 October 2010, a company in which Ms. Pansy Ho, a director and a substantial shareholder, has indirect beneficial interest, the Group may provide/demand services to/from the MGM group from time to time on a non-exclusive basis, including but not limited to sale of ferry tickets to the MGM group, sale of travel products to the MGM Group, rental of hotel rooms to the MGM group, provision of laundry service to the MGM group, provision of advertising services to the MGM group, provision of property cleaning services to the MGM group and rental of guestrooms at the MGM Grand Macau Hotel to the Group. An announcement was made by the Company on 8 October 2010 in this respect.
- (d) Pursuant to an agreement dated 11 November 2004 entered into between Pat Soi, Limitada (currently known as Shun Tak Nam Van Investment Limited ("STNV") and a wholly owned subsidiary of the Company), Sai Wu Investment Limited ("Sai Wu"), a company in which Dr. Stanley Ho has beneficial interest, the Company and Dr. Stanley Ho, STNV has conditionally agreed to purchase the entire issued share capital of certain companies which will at the time of completion of the acquisition hold the land development right in respect of certain parcels of land in Macau. The consideration for the acquisition is HK\$1,500 million which will be satisfied as to HK\$750 million in cash and as to the balance by the issuance of Shares to Alpha Davis Investments Limited ("Alpha Davis"), a company in which each of Dr. Stanley Ho, Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho has a beneficial interest. Pursuant to an agreement between the vendor and the purchaser dated 7 February 2012, the completion date of the acquisition has been further extended to on or before 31 December 2013. The Company has issued various announcements (the latest one was issued on 7 February 2012) and a circular to Shareholders dated 17 December 2004 in relation to this acquisition.

Save for the contracts disclosed in this section and the FAA Extension disclosed in the Letter from the Board in this Circular, none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

#### G. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2012, being the date to which the latest published audited financial statements of the Group were made up.

#### H. EXPERT AND CONSENT

- (a) The following is the qualification of the expert who has given an opinion, letter or advice which are contained in this circular:

<b>Name</b>	<b>Qualification</b>
Platinum Securities	a licensed corporation under the SFO licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

- (b) As at the Latest Practicable Date, Platinum Securities had no shareholdings in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.
- (c) As at the Latest Practicable Date, Platinum Securities did not have any interest, direct or indirect, in any assets which have been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2012 (being the date to which the latest published audited financial statements of the Group were made up).
- (d) Platinum Securities has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter of advice and references to its name in the form and context in which they respectively appear.

#### I. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's registered office at Penthouse 39th Floor, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong from 10:00 a.m. to 1:00 p.m. and from 2:00 p.m. to 5:30 p.m., Mondays to Fridays (except public holidays), from the date of this circular up to and including the date of the EGM (or any adjournment thereof):

- (a) the Fuel Arrangement Agreement and the FAA Extension Agreement;

- (b) the ticketing agreement dated 25 October 2013 entered into between STCTS and STDN;
- (c) the master property services agreement dated 20 December 2012 entered into between the Company and STDN;
- (d) the master service agreement dated 8 October 2010 entered into between the Company and MGM; and
- (e) the agreement dated 11 November 2004 entered into between STNV, Sai Wu, the Company and Dr. Stanley Ho and its supplemental agreements.

**J. GENERAL**

- (a) The secretary of the Company is Ms. Tsang Mei Chu, Angela. She is an associate member of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
- (b) This circular has been prepared in both English and Chinese. In the case of any discrepancy, the English language text of this circular shall prevail.

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NOTICE OF EGM

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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>

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “EGM”) of Shun Tak Holdings Limited (the “Company”) will be held at Grand Ballroom, Lower Lobby, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Wednesday, 11 December 2013 at 3:00 p.m. for the purpose of considering and if thought fit, passing with or without amendments the following resolution as an ordinary resolution of the Company:

**ORDINARY RESOLUTION**

“**THAT:**

- (a) the Fuel Arrangement (including without limitation the Fuel Arrangement Fee) pursuant to the terms and conditions of the Fuel Arrangement Agreement as amended by the FAA Extension Agreement, as all are defined and described in the circular dated 15 November 2013 and despatched to the Shareholders of the Company of which this notice forms part (the “Circular”), together with the proposed annual caps as set out in paragraph (b) below, be and are hereby approved and that the Directors (other than the Abstained Directors (as defined in the Circular)) or persons duly authorized by the Board of Directors be and are hereby authorised to take all such steps to implement the same and to execute all documents or deeds as they may consider necessary or appropriate in relation thereto and to make any changes, modifications, amendments, waivers, variations or extensions of such terms and conditions of the Fuel Arrangement as they may think fit; and
- (b) the Fuel Arrangement Fee payable by STCTS to STDM (both as defined in the Circular) shall not exceed HK\$589.0 million for each of the three financial years ending 31 December 2014, 2015 and 2016.”

By Order of the Board  
**Shun Tak Holdings Limited**  
**Ms. Angela Tsang**  
*Company Secretary*

Hong Kong, 15 November 2013

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## NOTICE OF EGM

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*Registered office:*

Penthouse  
39th Floor, West Tower  
Shun Tak Centre  
200 Connaught Road Central  
Hong Kong

**Notes:**

- (i) A member of the Company entitled to attend and vote at the EGM is entitled to appoint one proxy or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
- (ii) In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or other authority, must be deposited at the Company's registered office not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending and voting in person at the EGM or any adjournment thereof should he/she so wish. In that event, his/her form of proxy will be deemed to have been revoked.
- (iii) In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (iv) The register of members of the Company will be closed from Monday, 9 December 2013 to Wednesday, 11 December 2013, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 6 December 2013.
- (v) In accordance with article 56 of the Company's articles of association, the resolution to be proposed at the EGM will be taken by poll.

*As at the date of this notice, 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 directors are Dato' Dr. Cheng Yu Tung and Mrs. Louise Mok; and the independent non-executive directors are Sir Roger Lobo, Mr. Norman Ho, Mr. Charles Ho and Mr. Michael Ng.*