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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 your licensed securities dealer, 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 bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or 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>**

**MAJOR TRANSACTIONS  
INVESTMENT BY THE PURCHASER IN NOVA CITY  
AND  
FORMATION OF JOINT VENTURE**

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A notice convening the General Meeting of Shun Tak Holdings Limited (the “**Company**”) to be held at Golden Restaurant, Macau Jockey Club (HK) Club House, 1st Floor, China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Tuesday, 30 August 2016 at 12:30 p.m. or any adjournment thereof is set out on pages GM-1 to GM-3 of this circular.

Whether or not you intend to attend the General Meeting or any adjournment thereof, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the registered office of the Company at Penthouse 39th Floor, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong, not less than 48 hours before the time appointed for holding the General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the General Meeting or any adjournment thereof if you so wish.

26 July 2016

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## DEFINITIONS

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

“Announcement”	the announcement of the Company dated 22 June 2016 in relation to, among other things, the Sale and Purchase Agreement and the Transactions
“Asset Management Agreement”	the asset management agreement to be entered into between the Target Company and Shun Tak Hong Kong - Macau Real Estate Limited on the First Completion Date
“Board”	the board of Directors
“Business Day”	a day on which banks are generally open for business in each of Abu Dhabi and Hong Kong, excluding a Friday, Saturday or Sunday
“Company”	Shun Tak Holdings Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the Stock Exchange (Stock Code: 242)
“Completion”	the First Completion and the Final Completion
“Conditions”	conditions precedent to Completion as set out in the Sale and Purchase Agreement
“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Final Completion”	completion of the sale and purchase of the Tranche B Sale Shares
“Final Completion Date”	on or before the twentieth Business Day following the satisfaction, or waiver of, all the Conditions of Final Completion, or such other date as the Share Owner and the Purchaser may agree in writing
“First Completion”	completion of the sale and purchase of the Tranche A Sale Share
“First Completion Date”	the fifth Business Day following the satisfaction, or waiver of, all the Conditions of First Completion, or such other date as the Share Owner and the Purchaser may agree in writing

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## DEFINITIONS

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“General Meeting”	the general meeting of the Company to be convened to consider and, if thought fit, approve the Transactions
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“JV Formation”	the formation of joint venture, namely the Target Company, by the Share Owner and the Purchaser on a 50:50 basis pursuant to the Shareholders’ Agreement
“Latest Practicable Date”	22 July 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	initially 31 December 2018 and may be extended by the parties pursuant to the terms of the Sale and Purchase Agreement to 31 December 2019 or a later date
“Macao”	the Macao Special Administrative Region of the People’s Republic of China
“MOP”	Macao Pataca, the lawful currency of Macao
“Project Company”	a company to be incorporated in Macao as an indirect wholly-owned subsidiary of the Target Company
“Promissory Sale and Purchase Agreement”	the promissory sale and purchase agreement to be entered into between the Property Owner and the Project Company whereby the Property Owner shall transfer the Property to the Project Company as part of the internal restructuring of the Group pursuant to the terms of the Sale and Purchase Agreement
“Property”	the entire commercial complex (Units “AR/C” and “BR/C”) with gross floor area of approximately 60,899 square meters and 609 car parking spaces of Nova City Phase 5, comprising of 8 residential towers, a commercial complex and ancillary car parking spaces, which is located at Lot BT2/3, Taipa, Macao, being held by the Property Owner, which is under construction as at the date of the Announcement

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## DEFINITIONS

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“Property Owner”	Nova Taipa — Urbanizações, Limitada, a company incorporated under the laws of Macao with limited liability and a non wholly-owned subsidiary of the Company and the lawful land concessionaire and developer of the Property as at the date of the Announcement
“Property Valuation Report”	the property valuation report set out in Appendix II to this circular, issued by the Property Valuer, in accordance with the requirements of the Listing Rules
“Property Valuer”	Knight Frank Petty Limited
“Purchaser”	HIP Company Limited, a company incorporated under the laws of Jersey with limited liability and a wholly-owned subsidiary of the Abu Dhabi Investment Authority
“Purchaser’s Disposal and Acquisition Right”	the right exercisable by the Purchaser, granted by the Share Owner, to put back to the Share Owner all its shares in and shareholder’s loan to the Target Company, or to require the Share Owner to sell to the Purchaser all its shares in and shareholder’s loan to the Target Company, the exercise of which are not subject to the Company’s discretion and details of which are set out in sub-paragraphs (I), (II), (III) and (IV) under the paragraph headed “Implication of the exit rights which are not subject to the Company’s discretion” in the section headed “Letter from the Board” in this circular
“Sale and Purchase Agreement”	the sale and purchase agreement dated 22 June 2016 entered into between the Company, the Share Owner and the Purchaser relating to, among other things, the sale and purchase of the Sale Shares
“Sale Shares”	five issued shares in the Target Company, representing 50% of all the issued shares of the Target Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into between the Company, the Share Owner, the Purchaser and the Target Company with respect to the Target Company at the First Completion Date, the major terms of which are set out in the paragraph headed “The JV Formation” in the section headed “Letter from the Board” in this circular

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## DEFINITIONS

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“Share Consideration”	the total consideration payable by the Purchaser for the Sale Shares, details of which are set out in the paragraph headed “Total Investment of the Purchaser in the Target Company” in the section headed “Letter from the Board” in this circular
“Share Owner”	Ace Promise Investments Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Share Owner’s Disposal and Acquisition Right”	the right exercisable by the Share Owner, granted by the Purchaser, to put to the Purchaser all its shares in and shareholder’s loan to the Target Company, or to require the Purchaser to sell to the Share Owner all its shares in and shareholder’s loan to the Target Company, details of which are set out in the paragraph headed “Share Owner’s Exit Rights” in the section headed “Letter from the Board” in this circular
“Share Owner’s Shareholder’s Loans”	shareholder’s loans to be provided by the Share Owner to the Target Company, each of which will be for an amount equivalent to the Tranche A Purchaser’s Shareholder’s Loan and the Tranche B Purchaser’s Shareholder’s Loan respectively, each a “Share Owner’s Shareholder’s Loan”
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Nextor Holdings Limited, a company incorporated in the British Virgin Islands
“Target Group”	the Target Company and the Project Company and their subsidiaries from time to time
“Total Investment”	the Share Consideration, the Tranche A Purchaser’s Shareholder’s Loan and the Tranche B Purchaser’s Shareholder’s Loan
“Tranche A Purchaser’s Shareholder’s Loan”	an unsecured and initially interest-free shareholder’s loan in the amount of HK\$80,200,000 to be provided by the Purchaser to the Target Company
“Tranche A Sale Share”	one share in the issued share capital of the Target Company, representing 20% of the Sale Shares and 10% of the issued share capital of the Target Company
“Tranche B Purchaser’s Shareholder’s Loan”	an unsecured and initially interest-free shareholder’s loan in the amount of HK\$1,300,000,000 (subject to adjustment) to be provided by the Purchaser to the Target Company

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## DEFINITIONS

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“Tranche B Sale Shares”	four shares in the issued share capital of the Target Company, representing 80% of the Sale Shares and 40% of the issued share capital of the Target Company
“Transactions”	the sale and purchase of the Sale Shares under the Sale and Purchase Agreement (including the repurchase of the Tranche A Sale Share on termination of the Sale and Purchase Agreement), transfer of the Property under the Promissory Sale and Purchase Agreement, the JV Formation (including the provision of Share Owner’s Shareholder’s Loans to the Target Company and granting of the Purchaser’s Disposal and Acquisition Right) and other transactions contemplated thereby
“%”	per cent

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LETTER FROM THE BOARD

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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>

*Directors:*

Dr. Stanley Ho (*Group Executive Chairman*)

Mr. Norman Ho\*\*

Mr. Charles Ho\*\*

Mr. Michael Ng\*\*

Mr. Kevin Yip\*\*

Mrs. Louise Mok\*

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

\* *Non-Executive Director*

\*\* *Independent Non-Executive Director*

26 July 2016

*To the Shareholders,*

Dear Sir or Madam,

**MAJOR TRANSACTIONS  
INVESTMENT BY THE PURCHASER IN NOVA CITY  
AND  
FORMATION OF JOINT VENTURE**

**INTRODUCTION**

Reference is made to the Announcement in relation to, among other things, the Sale and Purchase Agreement entered into by the Share Owner, the Purchaser and the Company on 22 June 2016 pursuant to which the Share Owner conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Sale Shares, representing 50% of the issued share capital of the Target Company, at a Total Investment of HK\$3,230,200,000, comprising a Share Consideration of HK\$1,850,000,000 and a shareholder's loan of initially HK\$1,380,200,000.



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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with, among other things, (i) further information in relation to the Sale and Purchase Agreement and the Transactions; (ii) financial information of the Group; (iii) the Property Valuation Report; and (iv) a notice convening the General Meeting to consider and, if thought fit, approve the Sale and Purchase Agreement and the Transactions.

### THE SALE AND PURCHASE AGREEMENT

#### Date

22 June 2016

#### Parties

- (a) the Share Owner as seller;
- (b) the Purchaser as purchaser; and
- (c) the Company as Share Owner's guarantor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are, save for certain of the Purchaser's associates' interest in 678,000 Shares, representing approximately 0.02% of the total number of Shares in issue as at the Latest Practicable Date, third parties independent of and not connected with the Company and its Connected Persons.

#### Subject matter of the Sale and Purchase Agreement

The Sale Shares, comprising the Tranche A Sale Share and Tranche B Sale Shares and together representing 50% of the issued share capital of the Target Company. The Share Owner and the Purchaser shall each provide a shareholder's loan of an equal amount to the Target Company. As a condition to the completion of the Sale and Purchase Agreement, the Group will undergo an internal restructuring whereby the Property Owner, the current owner of the Property which is a non wholly-owned subsidiary of the Company and holds the entire interest in the Property solely for the Group, will transfer the Property to the Project Company.

#### Total Investment of the Purchaser in the Target Company

The Total Investment of the Purchaser in the Target Company under the Sale and Purchase Agreement shall initially be HK\$3,230,200,000 comprising of:

- (a) HK\$1,850,000,000, being the Share Consideration;

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## LETTER FROM THE BOARD

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- (b) the Tranche A Purchaser's Shareholder's Loan to fund the initial setting up and pre-opening costs of the Project Company as at First Completion and thereafter and estimated to be HK\$80,200,000; and
- (c) HK\$1,300,000,000 (subject to adjustment as mentioned below), being the Tranche B Purchaser's Shareholder's Loan to fund the acquisition of the Property under the Promissory Sale and Purchase Agreement.

The Share Owner will, together with the Purchaser, explore third party bank financing to fund the purchase of the Property and in the event that any bank loan is obtained in Hong Kong and/or Macao, the Tranche B Purchaser's Shareholder's Loan and the Share Owner's Shareholder's Loan will accordingly be reduced.

### Payment

The Purchaser shall pay the Total Investment in cash according to the following schedule:

- (a) within 6 days after the date of the Sale and Purchase Agreement, a sum of HK\$157,500,000, as part of the Share Consideration, to an escrow agent, to be released to the Share Owner on the First Completion Date;
- (b) on the First Completion Date, a sum of HK\$472,500,000, as part of the Share Consideration to the Share Owner, and such portion of the Tranche A Purchaser's Shareholder's Loan to the Target Company to cover such initial setting up and pre-opening costs already paid or payable by the Target Company, currently estimated to be approximately HK\$72,700,000;
- (c) on the later of (i) the First Completion Date; (ii) 31 December 2017; (iii) commencement of fitting out of the Property pursuant to the Sale and Purchase Agreement; and (iv) the fulfilment of certain pre-agreed leasing criteria of the Property as determined pursuant to the terms of the Sale and Purchase Agreement, a sum of HK\$315,000,000, as part of the Share Consideration, to the Share Owner;
- (d) on the Final Completion Date, the balance of the Share Consideration, being HK\$905,000,000, to the Share Owner, and the Tranche B Purchaser's Shareholder's Loan to the Target Company; and
- (e) the balance of the Tranche A Purchaser's Shareholder's Loan when the relevant initial setting up and pre-opening costs to which such portion of the Tranche A Purchaser's Shareholder's Loan is provided for falls due.

The Share Owner shall, at the same time the Purchaser pays the Tranche A Purchaser's Shareholder's Loan and the Tranche B Purchaser's Shareholder's Loan to the Target Company, pay the relevant Share Owner's Shareholder's Loans to the Target Company. Both the shareholder's loans to be contributed by the Purchaser and by the Share Owner will be used to fund the initial setting up and pre-opening costs of the Target Group and its acquisition of the Property under the Promissory Sale and Purchase Agreement.

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## LETTER FROM THE BOARD

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The Total Investment was determined after arm's length negotiations between the Company, the Share Owner and the Purchaser with reference to (i) the preliminary valuation of the gross development value of the Property, assuming it has been fully completed, of HK\$6,230,000,000 as determined by an independent property valuer appointed by the Company; (ii) the estimated initial setting up and pre-opening costs for the operation of the Target Group and the Property; and (iii) the prevailing market conditions.

### Conditions

The Purchaser's investment in the Target Company will be conducted in two tranches on First Completion and Final Completion respectively.

First Completion in respect of the Tranche A Sale Share is subject to various Conditions, including:

- (a) the Property Owner having registered for a provisional strata title for the Property;
- (b) the Property Owner and the Project Company having obtained pre-sale authorisation from the relevant authorities and all necessary internal approvals to enter into the Promissory Sale and Purchase Agreement pursuant to which the Property will be transferred from the Property Owner to the Project Company;
- (c) the approval of the Transactions, including the Purchaser's Disposal and Acquisition Right, by the Shareholders as required by the Listing Rules having been obtained; and
- (d) all governmental and regulatory approvals, authorisations, permits and licences required to transfer the Property free from any unacceptable conditions referred to in the Sale and Purchase Agreement and remaining valid and in good standing as at the First Completion Date having been obtained by the Target Group and/or the Property Owner.

Final Completion in respect of the Tranche B Sale Shares is subject to various Conditions, including:

- (a) First Completion having occurred;
- (b) payment of all relevant stamp duty on the Promissory Sale and Purchase Agreement and registration of the Promissory Sale and Purchase Agreement with relevant authorities having been completed within 30 days of its execution;
- (c) all governmental and regulatory approvals, authorisations, permits and licences required for the development and construction of the Property free from any unacceptable conditions referred to in the Sale and Purchase Agreement and remaining valid and in good standing having been obtained;

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## LETTER FROM THE BOARD

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- (d) the occupation permit from the relevant authority having been issued and remaining valid and in good standing as at the Final Completion Date; and
- (e) the fitting out of the Property having been completed in accordance with terms of the Sale and Purchase Agreement.

### **Completion**

First Completion shall take place on the First Completion Date (currently expected to be in or around the fourth quarter of 2016) whereupon the Purchaser will acquire the Tranche A Sale Share and pay a portion of the Tranche A Purchaser's Shareholder's Loan to the Target Company. The Share Owner shall at the same time pay a shareholder's loan to the Target Company for an amount equal to the Tranche A Purchaser's Shareholder's Loan paid by the Purchaser to the Target Company.

Final Completion shall take place on the Final Completion Date (currently expected to be in or around the fourth quarter of 2018) whereupon the Purchaser will acquire the Tranche B Sale Shares and pay the Tranche B Purchaser's Shareholder's Loan to the Target Company. The Share Owner shall at the same time pay a shareholder's loan to the Target Company for an amount equal to the Tranche B Purchaser's Shareholder's Loan paid by the Purchaser to the Target Company.

The time gap between First Completion and Final Completion is due to the time required for the construction of the Property, which is currently scheduled to be completed in late 2018.

### **Termination**

The Sale and Purchase Agreement may be terminated in certain circumstances including where certain force majeure events have arisen, or any significant assets of the Target Group have been destroyed, or compulsorily acquired by the government authority, or where the Conditions are not satisfied or waived by the Longstop Date. A default interest of 8% per annum may be payable over the total Share Consideration already paid in certain circumstances where the Sale and Purchase Agreement is terminated as a result of the Conditions not being satisfied or waived on or before the Longstop Date. If the Sale and Purchase Agreement fails to become unconditional or is otherwise terminated following the First Completion and before the Final Completion, the Share Owner shall, among other things, repurchase the Tranche A Sale Share already disposed at a nominal value of HK\$1, and return the total Share Consideration and procure the return of any shareholder's loan already paid by the Purchaser to the Purchaser.

### **FINANCIAL IMPACT AND USE OF PROCEEDS**

As at 31 December 2015, the carrying value of the Property in the consolidated financial statements of the Company was approximately HK\$2.0 billion. It is expected that the net proceeds to the Group from the Transactions, i.e. after deducting the transaction costs from the Share Consideration and the Tranche B Purchaser's Shareholder's Loan, will be approximately HK\$3.0 billion and are intended to be used for general working capital and to fund potential business opportunities available to the Group in the future which may include investment in assets. The Group reviews its business opportunities from time to time but none of the proceeds are currently earmarked for any specific investment opportunities under review.

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## LETTER FROM THE BOARD

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Subject to the completion of the audit and with reference to the net proceeds from the Transactions less the estimated development costs of the Property, the Company estimates the impact on earnings, being the net potential gain before taxation on the Transactions, to be approximately HK\$1.3 billion to be recognised upon Final Completion. As a result of the Transactions, the assets of the Group will be increased by an amount approximately equal to the gain on the Transactions, and there will be no material change in the liabilities of the Group.

Upon Final Completion, the Target Company will be held as to 50% by the Share Owner and the Target Company will no longer be a subsidiary of the Company and will be accounted for as a joint venture of the Company. These 50% interests in the Target Company are intended to be retained by the Group pursuant to the terms of the Shareholders' Agreement. Upon Final Completion, the financial results of the Target Group will be accounted for using the equity method of accounting. Hence, only 50% of the future operating results of the Property will be accounted for in the financial statements of the Group.

### **THE JV FORMATION**

Pursuant to the terms of the Sale and Purchase Agreement, the Company, the Share Owner, the Purchaser and the Target Company will enter into the Shareholders' Agreement with respect to the Target Company on the First Completion Date.

### **Business of the Target Group**

To acquire, hold and operate the Property.

### **Funding**

Any funding to be provided by the Share Owner and the Purchaser to the Target Group will in principle be provided on a pro rata basis in proportion to their respective shareholding at Final Completion in the Target Group.

### **Board composition**

The board of the Target Company will comprise four directors, and in any case, no more than five during the term of the Shareholders' Agreement. On First Completion, the Purchaser shall nominate one director and the Share Owner shall nominate up to three directors, and upon Final Completion each of the Share Owner and Purchaser shall nominate two directors.

The chairman of the board shall be appointed by the Share Owner but he/she shall not have a second or casting vote in board meetings.

### **Lock-In Period**

The Share Owner and the Purchaser may not dispose or create any encumbrance over any of the shares in or any shareholder's loan to the Target Company within a period of four years commencing from the Final Completion Date.

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## LETTER FROM THE BOARD

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### Purchaser's Exit Rights

Under the terms of the Shareholders' Agreement, the Share Owner has granted exit rights to the Purchaser as follows:

- (a) upon the failure to agree on any exit strategy for the Property at the end of 10 years following the date of the Shareholders' Agreement or every 5 years thereafter, the Purchaser may, by giving a notice to the Share Owner (the "**Purchaser's Exit Request**") (unless a prior notice has been given by the Share Owner to put all its shares in and shareholder's loan to the Target Company to the Purchaser or to require the Purchaser to sell all its shares in and shareholder's loan to the Target Company to the Share Owner (i.e., the Share Owner's Exit Request)):
  - (i) put back to the Share Owner all its shares in and shareholder's loan to the Target Company at a price determined by the Purchaser ("**Purchaser's Exit and Put Request**"). The Share Owner may, in the next 90 days, give a counter-notice to the Purchaser to reverse the effect of the Purchaser's Exit and Put Request such that the Purchaser will instead of having a right to put, be required to purchase from the Share Owner all its shares in and shareholder's loan to the Target Company at the aforementioned price, or
  - (ii) require the Share Owner to sell to the Purchaser all its shares in and shareholder's loan to the Target Company at a price determined by the Purchaser ("**Purchaser's Exit and Call Request**"). The Share Owner may, in the next 90 days, give a counter-notice to the Purchaser to reverse the effect of the Purchaser's Exit and Call Request such that the Purchaser will instead of having a right to call, be required to sell to the Share Owner all its shares in and shareholder's loan to the Target Company at the aforementioned price, and,
  - (iii) if the Share Owner fails to give any such counter-notice within the prescribed period of 90 days of receiving the Purchaser's Exit and Put Request or the Purchaser's Exit and Call Request, the Share Owner will be bound to accept the Purchaser's Exit and Put Request or the Purchaser's Exit and Call Request (as the case may be).

While the service of the Purchaser's Exit Request is not at the discretion of the Share Owner, service of the counter-notice to reverse the effect of the Purchaser's Exit Request, which will be classified for the purpose of the Listing Rules when the counter-notice is served, will be made at the discretion of the Share Owner only after having complied with applicable Listing Rules requirements (including any Shareholder's approval if required under the Listing Rules). As the Share Owner will have 90 days to decide and to manage

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## LETTER FROM THE BOARD

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the exercise of such counter-notice, the Company considers that it will have sufficient time to comply with the disclosure and Shareholders' approval requirement where applicable under the Listing Rules for serving such counter-notice.

- (b) if the transfer deed of the Property has not been duly registered in the name of the Project Company with the Macao Land Registry or any mortgage affecting the Property has not been released, in each case, within 4 years of the date of issuance of the Property's occupation permit by the Land, Public Works and Transport Bureau of Macao, the Purchaser may put back to the Share Owner all its shares in and shareholder's loan to the Target Company at a price equivalent to average of the "fair value" of the shares in the Target Company as determined by the respective accountants appointed by each of the Share Owner and the Purchaser and 100% of the relevant shareholder's loan; and
- (c) upon the occurrence of various events of default as set out below, the Purchaser may require the Share Owner to sell to the Purchaser all of its shares in and shareholder's loan to the Target Company at a price equivalent to 80% of the average of the "fair value" of the shares in the Target Company as determined by the respective accountants appointed by each of the Share Owner and the Purchaser and 80% of the relevant shareholder's loan:
  - (i) the Company or the Share Owner commits a material breach of the Shareholders' Agreement;
  - (ii) a creditor takes among others, possession of the whole or any part of the business of the Company or the Share Owner;
  - (iii) the Company or the Share Owner is unable to pay its debt when due;
  - (iv) liquidation of the Company or the Share Owner;
  - (v) there is a change in control in the Share Owner;
  - (vi) the Share Owner transfers the whole or a substantial part of its assets to the effect set out in the Shareholders' Agreement; and
  - (vii) the Company or the Share Owner is guilty of fraud, gross negligence or wilful misconduct leading to a material breach of its obligation under the Shareholders' Agreement.

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## LETTER FROM THE BOARD

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### Share Owner's Exit Rights

Incidental to the grant of the exit rights to the Purchaser, the details of which are set out under the paragraph headed "Purchaser's Exit Rights" above, the Purchaser has also granted the Share Owner's Disposal and Acquisition Right to the Share Owner as follows:

- (a) in the event the parties fail to agree on any exit strategy as mentioned in sub-paragraph (a) under the paragraph headed "Purchaser's Exit Rights" above, the Share Owner may by giving a notice to the Purchaser (the "**Share Owner's Exit Request**") unless the Purchaser's Exit Request has already been given from the Purchaser to the Share Owner,
  - (i) to put all of the Share Owner's shares in and shareholder's loan to the Target Company to the Purchaser at a price determined by the Share Owner ("**Share Owner's Exit and Put Request**"). The Purchaser may, in the next 90 days, give a counter-notice to the Share Owner to reverse the effect of the Share Owner's Exit and Put Request such that the Share Owner will instead of having a right to put, be required to purchase from the Purchaser all its shares in and shareholder's loan to the Target Company at the aforementioned price; or
  - (ii) to require the Purchaser to sell all its shares in and shareholder's loan to the Target Company to the Share Owner at a price determined by the Share Owner ("**Share Owner's Exit and Call Request**"). The Purchaser may, in the next 90 days, give a counter-notice to the Share Owner to reverse the effect of the Share Owner's Exit and Call Request such that the Share Owner will instead of having a right to call, be required to sell to the Purchaser all its shares in and shareholder's loan to the Target Company at the aforementioned price, and
  - (iii) if the Purchaser fails to give such counter-notice within the prescribed period of 90 days of receiving the Share Owner's Exit and Put Request or the Share Owner's Exit and Call Request (as the case may be), the Purchaser will be bound to accept the Share Owner's Exit and Put Request or the Share Owner's Exit and Call Request (as the case may be),
- (b) to require the Purchaser to sell to the Share Owner all its shares in and shareholder's loan to the Target Company at a price equivalent to 80% of the average of the "fair value" of the shares in the Target Company as determined by the respective accountants appointed by each of the Share Owner and the Purchaser and 80% of the relevant shareholder's loan if the Purchaser suffers an event of the same nature as the events of default as set out in sub-paragraph (c)(i) to (iv) and (vi) and (vii) under the paragraph headed "Purchaser's Exit Rights" above or a change in control of the Purchaser by its ultimate beneficial owner.

The exercise of the Share Owner's rights to require the Purchaser to sell its shares in and shareholders' loan to the Target Company to the Share Owner under paragraphs (a) and (b) above will both be made at the discretion of the Share Owner and will be classified for the purpose of the Listing



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## LETTER FROM THE BOARD

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Rules when the relevant right is exercised in accordance with the Shareholders' Agreement. The Company will comply with the disclosure and Shareholders' approval requirements where applicable under the Listing Rules as and when required.

### **Implication of the exit rights which are not subject to the Company's discretion**

The following exit rights as mentioned under the paragraph headed "Purchaser's Exit Rights" above are *not* exercisable at the Company's discretion:

- (I) the Purchaser's Exit and Put Request where the Share Owner fails to give a counter-notice as mentioned under sub-paragraph (a)(iii) under the paragraph headed "Purchaser's Exit Rights" above;
- (II) the Purchaser's Exit and Call Request where the Share Owner fails to give a counter-notice as mentioned under sub-paragraph (a)(iii) under the paragraph headed "Purchaser's Exit Rights" above;
- (III) the Purchaser's disposal right as mentioned under sub-paragraph (b) under the paragraph headed "Purchaser's Exit Rights" above;
- (IV) the Purchaser's acquisition right as mentioned under sub-paragraph (c) under the paragraph headed "Purchaser's Exit Rights" above.

Please refer to the relevant Listing Rules implications of each of the above exit rights under the paragraph headed "Listing Rules Implications" below.

### **INFORMATION ON THE TARGET GROUP AND FURTHER INFORMATION ON THE JOINT VENTURE ARRANGEMENT**

The Target Company is a company incorporated under the laws of the British Virgin Islands and an indirect wholly-owned subsidiary of the Company which has not yet commenced any business operation as at the Latest Practicable Date. The principal business activity of the Target Company is its holding in the Project Company.

The Project Company is a company to be incorporated in Macao as an indirect wholly-owned subsidiary of the Target Company. The principal business activity of the Project Company will be to acquire the Property and to hold and operate the Property.

As part of the arrangement under the Sale and Purchase Agreement and the Shareholders' Agreement, Shun Tak Hong Kong - Macau Real Estate Limited, a wholly-owned subsidiary of the Company, and the Target Company will, upon First Completion, enter into the Asset Management Agreement whereby Shun Tak Hong Kong - Macau Real Estate Limited will be appointed as the asset manager of the Target Company on the First Completion Date to manage the Property.

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## LETTER FROM THE BOARD

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### REASONS AND BENEFITS OF THE TRANSACTIONS

The Group perceives the opportunity to introduce new global insights and resources into the project as valuable to the long term vitality of the development. The Purchaser shall combine its relative strengths with the Group's well-established local foundation, in creating the most comprehensive residential community in Taipa, Macao.

The Directors consider that the terms of the Sale and Purchase Agreement, the Promissory Sale and Purchase Agreement and the Shareholders' Agreement, including the Total Investment and the granting of the Purchaser's Disposal and Acquisition Right, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### INFORMATION ON 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, hospitality, transportation and investment.

The Share Owner is a company incorporated under the laws of the British Virgin Islands and an indirect wholly-owned subsidiary of the Company. The principal business activity of the Share Owner is investment holding.

The Property Owner is a company incorporated in Macao and a non wholly-owned subsidiary of the Company which in turn holds the entire interest in the Property solely for the Group. The principal business activity of the Property Owner is property investment and development.

### INFORMATION ON THE PURCHASER

The Purchaser is an investment holding company which is wholly-owned by the Abu Dhabi Investment Authority, a public institution established by the Government of the Emirate of Abu Dhabi in 1976 as an independent investment institution. Abu Dhabi Investment Authority manages a global investment portfolio that is diversified across more than two dozen asset classes and sub-categories.

### INFORMATION ON THE PROPERTY

The Property, being part of Nova City Phase 5, held by the Property Owner, a non wholly-owned subsidiary of the Group holding the Property entirely and solely for the Group, will be a large-scale lifestyle shopping centre with a gross floor area over 655,000 square feet. Nova City, based in Taipa, Macao, is one of the largest luxury property developments in Macao. It comprises upscale residential units, world-class landscaping and clubhouse facilities. Nova City Phase 5, which is currently under construction with project completion date scheduled for late 2018, will comprise over 2.3 million square feet of residential units in eight towers atop the Property. The Property will house a diverse range of tenants including a Cineplex, a supermarket, and an exciting array of differentiated lifestyle brands and dining options, bringing a new dimension of convenience to residents of Nova City and fulfilling unmet demand in the entire Macao local community.

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## LETTER FROM THE BOARD

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### LISTING RULES IMPLICATIONS

As the Share Owner can be obliged to sell or acquire shares in and shareholders' loan to the Target Company if the Purchaser exercises the Purchaser's Disposal and Acquisition Right, details of which are set out in sub-paragraphs (I), (II), (III) and (IV) under the paragraph headed "Implication of the exit rights which are not subject to the Company's discretion", the Purchaser's Disposal and Acquisition Right will be subject to be classified as if exercised and accepted by the Share Owner on the date of grant. As the exercise price at which the Purchaser's Disposal and Acquisition Right will be exercised cannot be ascertained as at the date of the Announcement, the Purchaser's Disposal and Acquisition Right will constitute a major transaction for the Company in accordance with Rule 14.76(1) and will be subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. If the Purchaser's Disposal and Acquisition Right is approved by the Shareholders at the General Meeting, it will not be subject to any further shareholders' approval requirements under the Listing Rules at the time of exercise.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the rest of the Transactions (taking into account the highest expected Total Investment following the adjustment) exceeds 25% but is less than 75%, the rest of the Transactions constitutes major transactions for the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

### GENERAL MEETING

The General Meeting will be held at Golden Restaurant, Macau Jockey Club (HK) Club House, 1st Floor, China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Tuesday, 30 August 2016 at 12:30 p.m., for the Shareholders to consider, and if thought fit, approve the Transactions.

In compliance with the Listing Rules, the resolutions will be voted on by way of poll at the General Meeting.

According to the Listing Rules, any shareholder that has a material interest in the transaction and its close associates shall abstain from voting on the resolution approving the transaction at the general meeting. As at the Latest Practicable Date, certain of the Purchaser's associates were interested in 678,000 Shares, representing approximately 0.02% of the total number of Shares in issue. Hence, the aforementioned Shareholders will abstain from voting on the proposed resolution to approve the Transactions at the General Meeting. Save as disclosed above, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no other Shareholders or any of their respective close associates have any material interest in the Transactions and are required to abstain from voting on the resolution approving the Transactions at the General Meeting.

Each of Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho, Oakmount Holdings Limited, Shun Tak Shipping Company, Limited and its subsidiaries, Renita Investments Limited and Business Dragon Limited (collectively, the "Undertaking Shareholders") has undertaken to the Company to vote in favour of the relevant resolution(s) to approve the Transactions at the General Meeting, and to approve, among other things, the transactions contemplated under the Share Owner's Disposal and

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## LETTER FROM THE BOARD

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Acquisition Right in any resolution that the Company may put forward to the Shareholders for consideration and approval in the future. As at the Latest Practicable Date, the Undertaking Shareholders held in aggregate 1,750,700,127 Shares, representing approximately 57.5% of the total number of Shares in issue.

You will find enclosed a form of proxy for use at the General Meeting. Whether or not you intend to attend the General Meeting or any adjournment thereof, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the registered office of the Company at Penthouse 39th Floor, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong, not less than 48 hours before the time appointed for holding the General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the General Meeting or any adjournment thereof if you so wish.

### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 26 August 2016 to Tuesday, 30 August 2016, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the General Meeting, 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 Thursday, 25 August 2016.

### RECOMMENDATION

The Directors consider that the terms of the Transactions are fair and reasonable and the Transactions are on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolution to approve the Transactions, together with the Purchaser's Disposal and Acquisition Right (which is inter-conditional with the Transactions as it is one of the Conditions and cannot be waived), at the General Meeting.

### ADDITIONAL INFORMATION

Your attention is drawn to the further information contained in the appendices to the circular and the notice of General Meeting 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*

**INDEBTEDNESS OF THE GROUP**

As at 31 May 2016, being the latest practicable date for the purpose of the statement of indebtedness prior to the printing of this circular, the Group had outstanding (i) medium term notes of approximately HK\$3,129 million; (ii) bank borrowings of approximately HK\$7,767 million comprising secured bank loans of approximately HK\$2,497 million and unsecured bank loans of approximately HK\$5,270 million; and (iii) unsecured loans from non-controlling interests of approximately HK\$829 million. The secured bank loans were secured by charges on certain assets of the Group and shares of certain subsidiaries of the Group. The Group had not provided any guarantees in favour of the unsecured loans from non-controlling interests.

In addition to the above, the Group had provided a guarantee to a third party amounting to approximately HK\$3 million in respect of a sum owing by a joint venture to the third party under a license agreement as at 31 May 2016.

Save as aforesaid, and apart from intra-group liabilities, the Group did not have any loan capital and/or debt securities issued and outstanding or agreed to be issued or otherwise created but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills, if any) or acceptable credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities outstanding at the close of business on 31 May 2016.

**WORKING CAPITAL OF THE GROUP**

The Directors are of the opinion that, after taking into account the effects of the Transactions, the internal financial resources and present banking facilities available to the Group, the Group will have sufficient working capital in the absence of unforeseen circumstances for its present requirements and for at least the next 12 months from the date of this circular.

**FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

Notwithstanding the profit warning announcement issued by the Group on 22 July 2016, as the anticipated decline in the Group's profit is non-cash in nature and will not have any impact on the cash flow and business operations of the Group, the Directors are of the opinion that the Group is in a healthy financial position, allowing it to readily capture potential opportunities which may arise in the future. Under the current economic environment, the Group shall continue to stay vigilant and adopt a pragmatic approach in our core businesses, while executing new projects along the pipeline to build new impetus for growth into the future.

In 2016, in terms of property sales, the Group will be directing its resources to the sales of five luxury stand-alone houses located at Nos. 44-50 Chung Hom Kok Road ("**Chung Hom Kok Collection**") which have been launched to market in February 2016 and the pre-sale preparation of residential units of Nova City Phase 5. The unique features of the Chung Hom Kok Collection are expected to attract considerable interest from high net-worth buyers.

For the transportation division, Premier Grand class service is expected to grow further as more comprehensive bundled values have been introduced, such as the additions of Premier Plus, a land transit service, and Premier Lounge, a brand new pre-boarding experience. The Group has plans to further reinvest in its assets in 2016. Tuen Mun Ferry Terminal, managed and operated by the Group since January 2016, has expanded TurboJET's service network and has strong potentials to grow into a transportation centre.

The Group has acquired a hotel property at Shanghai MixC integrated commercial development project and the hotel property will be operated by Artyzen Hospitality Group (“AHG”), introducing a 303-room citizen hotel and a 188-room Artyzen Habitat hotel, stated for 2018 opening. This investment has also brought about a strategic cooperation with China Resources Land (Shanghai) Limited, with the latter providing AHG the first rights for any upcoming hotel management projects in Eastern China. AHG further announced the signing of two additional hotel management contracts in March 2016. These include a 300-room Artyzen Hotel and Resort, and a 350-room Artyzen Habitat hotel, both scheduled to open in 2021 as part of Shanghai Lingang New City.

For the investment division, the marked contraction in gaming revenue resulted in decreased dividend payout from Sociedade de Turismo e Diversões de Macau, S.A. in year 2015. The operating environment is expected to remain challenging in the horizon until new stimulus is introduced.

In May 2016, the Group has successfully tendered for a property, comprises a freehold land parcel with land area of approximately 2,391 square meter, located in the central business district in Singapore at a consideration of SGD145 million (equivalent to approximately HK\$826.5 million). The Group considers the acquisition beneficial to the development of the hospitality business of the Group and potentially beneficial to the property development business of the Group since the property can be redeveloped into residential use subject to government approval. The acquisition will expand the footprint of the Group's business to a gateway city in the region.

The Group has solid fundamentals and proven experience in navigating through market cycles. It remains firmly confident in the long term development potentials of its portfolio, and will continue to optimize returns for investors through foresight and diligence.

*The following is the text of the letter and valuation certificate in relation to the Property received from Knight Frank Petty Limited, an independent property valuer, prepared for the purpose of incorporation in this circular.*



4/F, Shui On Centre  
6-8 Harbour Road  
Wanchai, Hong Kong

26 July 2016

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

Dear Sirs

**Valuation in respect of The Commercial Portion of Nova City Phase 5, Avenida De Kwong Tung N° S/N, Taipa, Macao (the “Property”)**

In accordance with the instructions to us to value the Property held by Shun Tak Holdings Limited (the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”), we confirm that we have carried out external inspection, made relevant enquiries and carried out searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property in its existing state as at 31 May 2016 (the “Valuation Date”) for public disclosure purposes.

**Basis of Valuation**

In arriving at our opinion of the market value, we followed The HKIS Valuation Standards (2012 Edition) issued by The Hong Kong Institute of Surveyors (HKIS). Under the said standards, Market Value is defined as:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

The market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction), and without offset for any associated taxes or potential taxes.

The market value is also the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

Our valuation complies with the requirements set out in The HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors and the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

### **Valuation Methodology**

For property under development, we have valued on the basis that the property will be developed and completed in accordance with the Company's given latest development proposal. We have assumed that all consents, approvals, licences from relevant government authorities for the development proposal have been or will be obtained without onerous conditions or delays. We have also assumed that the design and construction of the development are in compliance with the local planning and other relevant regulations and have been or will be approved by the relevant authorities. In arriving at our opinion of value of the Property, we have considered the Direct Comparison Approach by making reference to sales evidence as available in the market and have also taken into account the given expended construction costs as well as the costs which will be expended to complete the development. The value of property assuming completion as at the Valuation Date in accordance with the given development proposal represents our opinion of the aggregate selling prices of the assumed completed development.

### **Valuation Assumptions and Conditions**

Our valuation is subject to the following assumptions and conditions:

#### ***Title Documents and Encumbrances***

We have taken reasonable care to investigate the title of the Property by obtaining land search record from Conservatória do Registo Predial (澳門物業登記局; Land Registry in Macao; "CRP"). We have not, however, searched the original documents to verify ownership or to ascertain the existence of any amendment which does not appear on the copies handed to us. We however do not accept a liability for any interpretation which we have placed on such information that is more properly the sphere of your legal advisers. We have also assumed in our valuation that the Property was free from encumbrances, restrictions, title defects and outgoings of an onerous nature that could affect its value, unless stated otherwise as at the Valuation Date. We assume that the Company has a proper legal title to the Property in the residual term of its land use rights according to the Macao laws and there is no delay in the renewal of the land lease and nominal land premium will be payable upon the renewal.



***Development Approvals and Site Conditions***

For valuing property under development, we assume that the Company has obtained all such approvals required for its construction including planning approval, building plan approval, construction permit, etc. We also assume that roads and necessary utilities are all readily connected to the Property.

***Disposal Costs and Liabilities***

No allowance has been made in our report for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale.

***Source of Information***

We have relied to a very considerable extent on information given by the Company. We have accepted advice given to us on such matters as planning approval, statutory notice, easement, tenure, site area, floor areas, number of carparking spaces, details of proposed development, estimated construction cost, construction cost expended and all other relevant matters. We have not verified the correctness of any information, including their translation supplied to us concerning the Property, whether in writing or verbally by yourselves, your representatives or by your legal or professional advisers or by any (or any apparent) occupier of the Property or contained on the register of title. We assume that this information is complete and correct.

***Inspection***

We inspected the exterior of the Property on 30 May 2016. The inspection was undertaken by Thomas Lam who is a qualified valuer. Nevertheless, we have assumed in our valuation that the Property was in satisfactory exterior and interior decorative order without any unauthorised extension or structural alterations or illegal uses as at the Valuation Date, unless otherwise stated.

***Identity of Property to be valued***

We have exercised reasonable care and skill (but will not have an absolute obligation to you) to ensure that the Property, identified by the property address in your instructions, is the property inspected by us and contained within our valuation report. If there is ambiguity as to the property address, or the extent of the property to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our report.

***Property Insurance***

We have valued the Property on the assumption that, in all respects, it is insurable against all usual risks including terrorism, flooding and rising water table at normal, commercially acceptable premiums.

***Areas and Age***

In our valuations, we have relied upon areas as available from a quoted source. Otherwise, dimensions and areas would be measured on-site or from plans and calculated in accordance with, where appropriate, the current HKIS Code of Measuring Practice and are quoted to a reasonable approximation, with reference to their source.

We have also assumed that the site areas, floor areas, measurements and dimensions shown on the documents handed to us are correct and in approximations only. Where the age of the building is estimated, this is for guidance only.

***Structural and Services Condition***

We have not undertaken any structural surveys, test the services or arrange for any investigations to be carried out to determine whether any deleterious materials have been used in the construction of the Property. Our valuation has therefore been undertaken on the basis that the Property was in satisfactory repair and condition and contains no deleterious materials and that services function satisfactorily.

***Ground Condition***

We have assumed there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the site of the Property are sufficient to support the building constructed or to be constructed thereon; and that the services are suitable for any existing or future development. Our valuation is therefore prepared on the basis that no extraordinary expenses or delays will be incurred in this respect.

***Environmental Issues***

We are not environmental specialists and therefore we have not carried out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor have we undertaken searches of public archives to seek evidence of past activities that might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation is prepared on the assumption that the Property is unaffected. Where contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified.

***Compliance with Relevant Ordinances and Regulations***

We have assumed that the Property will be constructed, occupied and used in full compliance with, and without contravention of any Ordinances, statutory requirement and notices except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, any and all required licences, permits, certificates, consents, approvals and authorisation have been obtained, except only where otherwise stated.

***Exchange Rate***

Unless otherwise stated, all money amounts stated in our valuations are in Hong Kong Dollars (“HK\$”). The local currency in Macao is Macao Patacas (“MOP”). The exchange rate adopted in our valuations is MOP1.03 = HK\$1 which was the approximate exchange rates prevailing as at the Valuation Date.

We enclose herewith our valuation.

Yours faithfully  
For and on behalf of  
Knight Frank Petty Limited  
**Thomas H M Lam**  
*FRICS MHKIS MHKSI RPS(GP)*  
*Senior Director, Head of Valuation & Consultancy*

Yours faithfully  
For and on behalf of  
Knight Frank Petty Limited  
**Catherine Cheung**  
*MRICS MHKIS RPS(GP)*  
*Director, General Valuation*

*Notes:* Thomas H M Lam is a qualified valuer who has extensive experiences in market research, valuation and consultancy in China, Hong Kong, Macao and Asia Pacific region (ex-Japan).

Catherine Cheung, MRICS MHKIS RPS(GP), has been a qualified valuer with Knight Frank since 1992 and has over 20 years’ experience in the valuation of properties in Hong Kong and Macao.

## VALUATION

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 May 2016										
The Commercial Portion of Nova City Phase 5, Avenida De Kwong Tung N° S/N, Taipa, Macao	<p>Nova City Phase 5 (the “Development”) is a private residential cum commercial development with a site area of approximately 256,646 sq ft (23,843 sq m) to be completed in the fourth quarter of 2018, as advised, situated in the northern part of Taipa where the locality comprises mainly high-rise residential buildings.</p> <p>As per the development proposal, the Development comprises about 2,313,345 sq ft (214,915 sq m) of residential units in eight towers erected over a large-scale shopping centre spanning about 655,528 sq ft (60,900 sq m).</p> <p>The Property will comprise the aforesaid shopping centre of the Development. The shopping centre consists of 5-storey (including 2 basement floors) comprising various retail units and 609 carparking spaces.</p> <p>The Property is erected on a lot ‘BT2/3’ which was granted together with 2 neighboring lots, namely ‘BT19/25/30’ and ‘BT35’ under the Concessão Por Arrendamento (政府租賃批地; government lease) for a term of 25 years commenced from 1 March 2006 and renewable in accordance with the relevant Macao laws.</p> <p>Pursuant to relevant Despacho (批示; Gazette) the annual rent payable for the lot is as follows:</p> <p>i) As per Despacho No 20/2006, during the construction period, the annual unit rent shall be MOP9 per sq m (on site area).</p> <p>ii) As per Despacho No 44/2010, upon completion of the construction, the annual rents are as follows:</p> <table border="0"> <tr> <td>Residential</td> <td>MOP4.5 per sq m</td> </tr> <tr> <td>Commercial</td> <td>MOP6.5 per sq m</td> </tr> <tr> <td>Carpark</td> <td>MOP4.5 per sq m</td> </tr> <tr> <td>Outdoor area with facilities</td> <td>MOP4.5 per sq m</td> </tr> <tr> <td>Outdoor area without facilities</td> <td>MOP4.5 per sq m</td> </tr> </table>	Residential	MOP4.5 per sq m	Commercial	MOP6.5 per sq m	Carpark	MOP4.5 per sq m	Outdoor area with facilities	MOP4.5 per sq m	Outdoor area without facilities	MOP4.5 per sq m	As at the Valuation Date, the Property is currently under development. The Property is planned to be completed in the fourth quarter of 2018.	HK\$3,347,000,000 (Hong Kong Dollars Three Billion Three Hundred and Forty Seven Million)
Residential	MOP4.5 per sq m												
Commercial	MOP6.5 per sq m												
Carpark	MOP4.5 per sq m												
Outdoor area with facilities	MOP4.5 per sq m												
Outdoor area without facilities	MOP4.5 per sq m												

*Notes:*

- (1) The registered owner of the Property was Nova Taipa-Urbanizações Limitada (氹仔新城市發展有限公司), a non wholly-owned subsidiary of the Company, which holds the entire interest in the Property solely for the Group.

- (2) As at the Valuation Date, the Property was subject to the following encumbrances as per the land search record obtained from CRP:
- i. Hipoteca Voluntária (意定抵押) in favour of Bank of China Limited vide inscription no 120447C dated 7 April 2011.
  - ii. Consignação De Rendimentos (收益用途之指定) in favour of Bank of China Limited vide inscription no 32921F dated 7 April 2011.
- (3) As per information provided by the Company, the estimated total construction cost to complete the commercial portion of the proposed development is approximately HK\$2,094 million of which approximately HK\$696 million has been incurred up to 31 May 2016 whereas the estimated total professional fee for such portion is approximately HK\$102 million of which approximately HK\$63 million has been incurred up to 31 May 2016.
- (4) We are of the opinion that the Gross Development Value of the Property on the proposed development, assuming it has been fully completed to a good condition, as at the Valuation Date was in the sum of HK\$6,230,000,000 (Hong Kong Dollars Six Billion Two Hundred and Thirty Million) .
- (5) The Property is zoned for “Non Industrial” uses as per Planta De Alinhamento Oficial (街道準線圖) issued on 11 February 2014.
- (6) Pursuant to the letter from Comissão De Terras (土地委員會) dated 13 April 2016 provided by the Company, the development period of lot BT2/3 was extended to 29 February 2020.
- (7) As per the information provided by the Company:
- i. The Company is in possession of a proper legal title to the Property and is entitled to occupy, use and mortgage the property together with the residual term of its land use rights according to the Macao laws.
  - ii. The Company will be entitled to transfer or dispose of the Property once authorisation under Macao Law 7/2013 has been obtained and any lease of the Property can only take effect after the Occupation Permit is issued.
  - iii. The Company has obtained all relevant approvals and permits required for its construction including planning approval, building approval and construction permit.
- (8) According to Despacho No 44/2010, the development parameters of the lots BT2/3, BT19/25/30 & BT35 are summarized as follows:

User: A mix development including residential, commercial, carpark and social facilities

Uses and maximum GFA:	Residential	5,722,013 sq ft (531,588 sq m)
	Commercial	664,913 sq ft (61,772 sq m)
	Carpark	1,574,752 sq ft (146,298 sq m)
	Social facilities	101,031 sq ft (9,386 sq m)
	Outdoor area with facilities	119,480 sq ft (11,100 sq m)
	Outdoor area without facilities	284,396 sq ft (26,421 sq m)

## 1. 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.

## 2. DISCLOSURE OF INTERESTS

### Interests of Directors

As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and any of its associated corporation(s) (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 which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange 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	
		Note	Note	Note (i)
Dr. Stanley Ho	Interests in issued shares	1,798,559	—	0.06%
	Interests in unissued shares	—	148,883,374 (iii)	4.89%
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%
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	161,865,937	363,798,627 (iv)	17.28%
	Interests in issued shares	—	65,040,000 (vi)	2.14%
	Interests in unissued shares	—	148,883,374 (iii)	4.89%
Ms. Daisy Ho	Interests in issued shares	80,636,345	134,503,471 (v)	7.07%
	Interests in issued shares	—	65,040,000 (vi)	2.14%
	Interests in unissued shares	—	148,883,374 (iii)	4.89%
Ms. Maisy Ho	Interests in issued shares	38,901,203	31,717,012 (vii)	2.32%
Mr. David Shum	Interests in issued shares	5,660,377	—	0.19%

*Notes:*

- (i) As at the Latest Practicable Date, the total number of issued shares of the Company was 3,042,465,785.
- (ii) These represented the interests in underlying shares in respect of share options granted by the Company.
- (iii) 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.
- (iv) These 363,798,627 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 179,402,561 shares held by Classic Time Developments Limited (“CTDL”). Both BPL and CTDL are wholly-owned by Ms. Pansy Ho.
- (v) 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.
- (vi) These 65,040,000 shares, in which Ms. Pansy Ho and Ms. Daisy Ho were deemed to be interested by virtue of the SFO, were the same parcel of shares, held by MIL through its wholly-owned subsidiary, Business Dragon Limited.
- (vii) These 31,717,012 shares, in which Ms. Maisey Ho was deemed to be interested by virtue of the SFO, were held by LionKing Offshore Limited, which is wholly-owned by Ms. Maisey 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>
Dr. Stanley Ho	Shun Tak Cultural Centre Limited	4 ordinary shares	40.00% Note (i)

*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>Percentage of total issued shares</b>
Ms. Pansy Ho	Shun Tak & CITS Coach (Macao) Limited	1,500 shares	15.00% Note (i)

*Note:*

(i) As at the Latest Practicable Date, there was a total of 10,000 shares of Shun Tak & CITS Coach (Macao) Limited in issue.

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

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares and debentures of the Company, its subsidiaries and its associated corporation(s) (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 which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange.

**Interests of substantial Shareholders in the Company**

As at the Latest Practicable Date, so far as is known to the Directors and the chief executive of the Company, the following persons (not being a Director or chief executive of the Company) had, or were deemed to have, an interest or short position in the Shares, underlying Shares and debentures of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO, or who were or were expected, directly or indirectly, interested in 10% or more of the nominal value of any class of



share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group were as follows:

Name of Shareholder	Nature of interests	Capacity	Long position/ short position	Number of shares/ underlying shares held	Approximate percentage of total issued Shares
	<i>Note</i>				<i>Note (i)</i>
Renita Investments Limited (“Renita”) and its subsidiary	(ii) Interests in issued shares	Beneficial owner and interests of controlled corporation	Long position	500,658,864	16.46%
Oakmount Holdings Limited (“Oakmount”)	(ii) Interests in issued shares	Beneficial owner	Long position	396,522,735	13.03%
Shun Tak Shipping Company, Limited (“STS”) and its subsidiaries	(iii) Interests in issued shares	Beneficial owner and interests of controlled corporation	Long position	373,578,668	12.28%
Beeston Profits Limited (“BPL”)	(iv) Interests in issued shares	Beneficial owner	Long position	184,396,066	6.06%
Classic Time Developments Limited (“CTDL”)	(iv) Interests in issued shares	Beneficial owner	Long position	179,402,561	5.90%
Megaprospers Investments Limited (“MIL”)	(v) Interests in issued shares	Interest of controlled corporation	Long position	65,040,000	2.14%
	(vi) Interests in unissued shares	Interest of controlled corporation	Long position	148,883,374	4.89%

*Notes:*

- (i) As at the Latest Practicable Date, the total number of issued Shares of the Company was 3,042,465,785.
- (ii) These 500,658,864 shares comprised 396,522,735 shares held by Oakmount, which is wholly-owned by Renita. 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. 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 and CTDL.
- (v) MIL is owned as to 51% by Ms. Pansy Ho and 39% by Ms. Daisy Ho. Ms. Pansy Ho and Ms. Daisy Ho are directors of MIL. These 65,040,000 shares were held by Business Dragon Limited, a wholly-owned subsidiary of MIL.
- (vi) These 148,883,374 unissued shares 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 MIL. IIL is wholly-owned by Dr. Stanley Ho.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or the chief executive of the Company, no other persons (not being a Director or chief executive of

the Company) had, or were deemed to have, an interest or short position in the Shares, underlying Shares and debentures of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO, or who were or were expected, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

### 3. DIRECTORS' INTERESTS IN CONTRACTS AND ARRANGEMENTS

- (a) Pursuant to the fuel arrangement extension agreement entered into between Shun Tak - China Travel Shipping Investments Limited (“**ST-CTSI**”), a non wholly-owned subsidiary of the Company, and Sociedade de Turismo e Diversões de Macau, S.A. (“**STDM**”), a company in which Dr. Stanley Ho, Mrs. Louise Mok, Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho and Mr. David Shum have beneficial interests, on 25 October 2013, STDM supplies and loads fuel into ST-CTSI’s vessels at the Macau Outer Harbour Terminal for its Macau shipping operations. The agreement is for a term of 3 years from 1 January 2014 to 31 December 2016. The price of fuel was determined with reference to its market price plus a small handling charge. The Company has made an announcement on 25 October 2013 and a circular to Shareholders dated 15 November 2013 in this respect.
- (b) Pursuant to a master products and services agreement (the “**Master Agreement**”) entered into between the Company and STDM on 14 December 2015, the Master Agreement set out a framework for the provision of the below products and services by the Group to STDM and its subsidiaries (the “**STDM Group**”), and vice versa, on a non-exclusive basis. The Master Agreement is for a term of 3 years from 1 January 2016 to 31 December 2018. An announcement was made by the Company on 14 December 2015.
- Provision of the products and services by the Group to the STDM Group including the following:
    - (i) sale of ferry tickets at a discount of 5% for a bulk purchase of ferry tickets by the STDM Group for its own account;
    - (ii) provision of management and operation services to hotels and other hospitality properties and business owned by the STDM Group such as hotels, Macau Tower Convention & Entertainment Centre (“**Macau Tower**”) and restaurants;
    - (iii) sale of travel products and provision of travel agency services, such as hotel accommodation and ticketing;
    - (iv) provision of other property-related services, such as property management, sale and leasing, project management and cleaning services to various properties owned by the STDM Group; and
    - (v) provision of business support services such as laundry, company secretarial services, promotion and advertising, and office administrative service.

- Provision of the products and services by the STDM Group to the Group including the following:
  - (vi) sale of travel products such as hotel accommodation and Macau Tower admission tickets to the Group; and
  - (vii) provision of management services to properties owned by the Group.
- (c) Pursuant to the master service agreement (the “**MGM Master Service Agreement**”) entered into between the Company and MGM Grand Paradise Limited (“**MGM**”), a company in which Ms. Pansy Ho has indirect beneficial interest, on 24 December 2013, the MGM Master Service Agreement set out a framework for products and/or services which may be provided/demanded by the Group to/from MGM and/or its subsidiaries from time to time on a non-exclusive basis. The MGM Master Service Agreement is for a term of 3 years from 1 January 2014 to 31 December 2016 and is thereafter renewable for successive terms of 3 years by mutual agreement in writing.
- (d) Pursuant to a conditional sale and purchase agreement entered into between Shun Tak Nam Van Investment Limited (“**Shun Tak Nam Van**”), a wholly-owned subsidiary of the Company, and Sai Wu Investment Limited (“**Sai Wu**”), a company beneficially owned as to 60% by Dr. Stanley Ho and 40% by independent third parties, on 11 November 2004, Shun Tak Nam Van agreed to acquire the interest in the land development right of property sites adjacent to the Macau Tower in Nam Van, 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 ADIL, a company in which each of Dr. Stanley Ho, Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho has a beneficial interest. A refundable deposit of HK\$500 million was paid by Shun Tak Nam Van to Sai Wu to extend the completion date of the acquisition without changing the consideration or its other terms of the acquisition. On 31 December 2014, the completion date of the acquisition was further extended from 31 December 2014 to on or before 31 December 2016. The Company has issued various announcements (the latest one was issued on 31 December 2014) and a circular to Shareholders dated 17 December 2004 in relation to this acquisition.

Save for the contracts disclosed in this section, none of the Director 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.

#### 4. DIRECTORS' INTERESTS IN ASSETS AND OTHER INTERESTS

Since 31 December 2015, being the date to which the latest published audited accounts of the Company have been made up:

- (i) the Group had entered into 23 license agreements, as licensee, with the STDM Group, as licensor, to license or renew the license to use certain premises in Macau for a term of less

than 3 years from the STDM Group for an aggregate amount of approximately MOP23 million plus the turnover rent for one of the abovementioned agreements;

- (ii) on 1 March 2016, the Group had entered into a tenancy agreement, as tenant, with a subsidiary of STS, as landlord, to renew the lease of a premise in Macau for a period of 3 years from the STS group for a total rent (inclusive of management fee, government rent and housing tax) of approximately HK\$2 million for the lease period;
- (iii) the Group had entered into a renewal license agreement, as licensee, with Shun Tak Centre Limited (“STC”), a company in which Dr. Stanley Ho has beneficial interest, as licensor, for the use of a certain lightbox located in Hong Kong for a period of 1 year from STC for a consideration of HK\$12,000; and
- (iv) further to (iii) above, the Group proposed to enter into another tenancy agreement, as tenant, with STC, as landlord, to renew the lease of a premise in Hong Kong for a proposed period of 2 years from STC for a proposed consideration of approximately HK\$1 million for the lease period.

Save as disclosed above and herein, 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 2015, being the date to which the latest published audited financial statements of the Group were made up.

## **5. 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 will not expire or may not be terminated by the Company within one year without payment of compensation (other than statutory compensation).

## **6. LITIGATION**

As at the Latest Practicable Date, there was no litigation or claims of material importance known to the Directors pending or threatened against any member of the Group.

## **7. COMPETING INTERESTS**

As at the Latest Practicable Date, Dr. Stanley Ho, the Group executive chairman of the Board and an executive Director, is a director and shareholder of STC, which is engaged in the business of property investment. Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho and Mr. David Shum, each being an executive Director, are also directors of STC.

As at the Latest Practicable Date, Dr. Stanley Ho and Ms. Pansy Ho are directors of STD M, which is 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 STD M and Mr. David Shum is an appointed representative of the Company, a corporate director of STD M.

Given the above, Dr. Stanley Ho, Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho and Mr. David Shum are considered to have interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules.

The above-mentioned competing businesses are managed by separate entities with independent management and administration. The Directors (including the independent non-executive 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 any of their respective close associates was interested in any business, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

## **8. MATERIAL ADVERSE CHANGE**

Save for the profit warning announcement published by the Group on 22 July 2016, the Directors are of the opinion that there are no material adverse changes in the financial or trading position of the Group since the date to which the latest published audited accounts of the Company have been made up.

## **9. EXPERT AND CONSENT**

The following is the qualification of the expert who has been named in this circular or has given opinions, letter or advices contained in this circular:

<b>Name</b>	<b>Qualification</b>
Knight Frank Petty Limited	Independent Property Valuer

As at the Latest Practicable Date, the Property Valuer does not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group. The Property Valuer has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter, valuation certificate and/or references to its name in the form and context in which they are included.

As at the Latest Practicable Date, the Property Valuer did not have any direct or indirect interests in any assets which have been, since 31 December 2015 (the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

#### **10. MATERIAL CONTRACTS**

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the members of the Group within the two years immediately preceding the Latest Practicable Date and are or may be material:

- (a) the Sale and Purchase Agreement; and
- (b) a side letter dated 22 June 2016 and entered into by the Share Owner, the Purchaser and the Company in relation to the variation of the payment terms of the Sale and Purchase Agreement.

#### **11. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are 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 General Meeting:

- (a) the articles of association of the Company;
- (b) the annual reports of the Company of each of the two financial years immediately preceding the issue of this circular;
- (c) the letter and valuation certificate referred to in Appendix II to this circular;
- (d) the written consent given by the Property Valuer;
- (e) the material contracts referred to in this appendix; and
- (f) this circular.

**12. MISCELLANEOUS**

- (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) The registered office of the Company is located at Penthouse 39th Floor, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong.
- (c) The share registrar of the Company is Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) 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 GENERAL MEETING

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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>

## NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a general meeting (the “**General Meeting**”) of Shun Tak Holdings Limited (the “**Company**”) will be held at Golden Restaurant, Macau Jockey Club (HK) Club House, 1st Floor, China Merchants Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Tuesday, 30 August 2016 at 12:30 p.m. for the purpose of considering and, if thought fit, passing with or without modifications the following as an ordinary resolution of the Company:

### ORDINARY RESOLUTION

“**THAT:**

The Sale and Purchase Agreement dated 22 June 2016 and entered into by the Company, Ace Promise Investments Limited (the “**Share Owner**”) and HIP Company Limited (the “**Purchaser**”), a copy of which is tabled at the General Meeting and marked “A” and initialled by the chairperson of the General Meeting for identification purpose (the “**Sale and Purchase Agreement**”), together with the Shareholders’ Agreement to be executed by the Company, the Share Owner, the Purchaser and Nextor Holdings Limited (the “**Target Company**”), a copy of which is tabled at the General Meeting and marked “B” and initialled by the chairperson of the General Meeting for identification purpose (the “**Shareholders’ Agreement**”) and the Promissory Sale and Purchase Agreement to be executed by Nova Taipa — Urbanizaoções, Limitada and a wholly-owned subsidiary of the Target Company to be incorporated in Macao, a copy of which is tabled at the General Meeting and marked “C” and initialled by the chairperson of the General Meeting for identification purpose (the “**Promissory Sale and Purchase Agreement**”) and the transactions contemplated thereunder, all as described in the circular of the Company dated 26 July 2016 (the “**Circular**”), including:

1. the investment by the Purchaser in the Target Company by acquiring the shares representing 50% of the issued share capital in the Target Company, to own the commercial complex and the ancillary car parking spaces at Lot BT2/3, Taipa, Macao (and more particularly described in the Sale and Purchase Agreement) (the “**Property**”) jointly with the Share Owner following an internal restructuring of the Group whereby a wholly-owned subsidiary of the Target Company will become the owner of the Property, and the provision of shareholder’s loan, for an initial aggregate investment amount of HK\$3,230,200,000 by the Purchaser to the Target Company subject to be adjusted in accordance with the terms of the



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## NOTICE OF GENERAL MEETING

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Sale and Purchase Agreement, and the provision of an equivalent amount of shareholder's loan by the Share Owner to the Target Company, all of which will be completed in tranches, and the repurchase by the Share Owner of such tranche of share in the Target Company already acquired by the Purchaser if the Sale and Purchase Agreement fails to become unconditional and is terminated before its final completion;

2. the formation of the joint venture under and the agreed terms pursuant to which the Share Owner and the Purchaser shall operate the Target Company as set out in the Shareholders' Agreement, including the granting by the Share Owner to the Purchaser of the right to put back to the Share Owner all its shares in and shareholder's loan to the Target Company, or to require the Share Owner to sell to the Purchaser all its shares in and shareholder's loan to the Target Company, at a price to be determined in accordance with the terms, and in such circumstances as set out in, the Shareholders' Agreement and more particularly described in the Circular,

be and are hereby confirmed, approved, authorised and ratified, and any one director of the Company, or two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to execute all documents, instruments and agreements and to do all such acts or things deemed by him/her/them to be incidental to, or ancillary to, or in connection with, or necessary for the purpose of giving effect to the Sale and Purchase Agreement, the Shareholders' Agreement, the Promissory Sale and Purchase Agreement and any other related documents, instruments and agreements and the transactions contemplated thereunder."

By order of the Board  
**Shun Tak Holdings Limited**  
**Angela Tsang**  
*Company Secretary*

Hong Kong, 26 July 2016

*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 General Meeting is entitled to appoint one or more proxies to attend and, on a poll, 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 General Meeting or any adjournment thereof.

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## NOTICE OF GENERAL MEETING

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- iii. The register of members of the Company will be closed from Friday, 26 August 2016 to Tuesday, 30 August 2016, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the General Meeting, 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 Thursday, 25 August 2016.
  
- iv. In accordance with article 58 of the Company's articles of association, the resolution to be proposed at the General Meeting will be taken by poll.
  
- v. In case the General Meeting is anticipated to be affected by black rainstorm signal or tropical cyclone with warning signal no. 8 or above, please refer to the website of Hong Kong Exchanges and Clearing Limited at <http://www.hkexnews.hk> and the Company's website at <http://www.shuntakgroup.com> for announcement on bad weather arrangement for the General Meeting.