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**信德集團**



SHUN TAK HOLDINGS

**SHUN TAK HOLDINGS LIMITED**

**信德集團有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 242)**

**Website: <http://www.shuntakgroup.com>**

## **ANNOUNCEMENT**

### **DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF 20% EQUITY INTEREST IN TWO JV COMPANIES**

#### **THE ACQUISITIONS**

The Board is pleased to announce that on 13 November 2020, Tak Hope and Shun Yin (each a wholly-owned subsidiary of the Company), upon submitting the final bid prices of RMB446.60 million and RMB497.80 million for the public tenders of the Tongxin Sale Interest and the Suzuan Sale Interest respectively, received notifications from the Shanghai Equity Exchange that Tak Hope and Shun Yin were the successful bidders for the public tenders of the Tongxin Sale Interest and the Suzuan Sale Interest respectively. In accordance with the terms of the Tenders, upon receiving such notifications, Tak Hope and Shun Yin are required to enter into the Tongxin Acquisition and the Suzuan Acquisition respectively, pursuant to which (i) Tak Hope will acquire, and Shanghai Zhonghong will sell, the Tongxin Sale Interest, representing the 20% equity interest in Shanghai Tongxin and (ii) Shun Yin will acquire, and Shanghai Zhonghong will sell, the Suzuan Sale Interest, representing the 20% equity interest in Shanghai Suzuan, in each case, for a consideration equal to their respective final bid prices. As at the date of this announcement, each of Shanghai Tongxin and Shanghai Suzuan is owned as to 80% by Tak Hope and Shun Yin respectively, and 20% by Shanghai Zhonghong, and they are the joint venture companies formed in 2019 for the sole purpose of the Suhe Bay Acquisition, details of which are set out in the 2019 Announcement.

## **LISTING RULES IMPLICATIONS**

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

## **INTRODUCTION**

The Board is pleased to announce that on 13 November 2020, Tak Hope and Shun Yin (each a wholly-owned subsidiary of the Company), upon submitting the final bid prices of RMB446.60 million and RMB497.80 million for the public tenders of the Tongxin Sale Interest and the Suzuan Sale Interest respectively, received notifications from the Shanghai Equity Exchange that Tak Hope and Shun Yin were the successful bidders for the public tenders of the Tongxin Sale Interest and the Suzuan Sale Interest respectively. In accordance with the terms of the Tenders, upon receiving such notifications, Tak Hope and Shun Yin are required to enter into the Tongxin Acquisition and the Suzuan Acquisition respectively, pursuant to which (i) Tak Hope will acquire, and Shanghai Zhonghong will sell, the Tongxin Sale Interest; and (ii) Shun Yin will acquire, and Shanghai Zhonghong will sell, the Suzuan Sale Interest, in each case, for a consideration equal to their respective final bid prices.

## **THE ACQUISITIONS**

The principal terms of the Acquisitions are set out below:

### **The Tongxin Acquisition**

Tak Hope as buyer will acquire, and Shanghai Zhonghong as vendor will sell, the Tongxin Sale Interest, representing the 20% equity interest in Shanghai Tongxin.

### **The Suzuan Acquisition**

Shun Yin as buyer will acquire, and Shanghai Zhonghong as vendor will sell, the Suzuan Sale Interest, representing the 20% equity interest in Shanghai Suzuan.

As at the date of this announcement, each of Shanghai Tongxin and Shanghai Suzuan is owned as to 80% by Tak Hope and Shun Yin respectively, and 20% by Shanghai Zhonghong. To the best of Directors' knowledge, information and belief, having made all reasonable enquiries, Shanghai Zhonghong and its ultimate parent company are Independent Third Parties.

Please refer to the paragraph headed "Information on the JV Companies" for background information of Shanghai Tongxin and Shanghai Suzuan.

### **Consideration and Payment Terms**

The consideration for the Tongxin Acquisition and the Suzuan Acquisition are RMB446.60 million and RMB497.80 million, respectively, being the final bid price for the public tenders for the Tongxin Sale Interest and the Suzuan Sale Interest, respectively. Pursuant to the terms of the Tenders, after deducting the Bid Bonds which have been previously paid by Tak Hope and Shun Yin, the remaining balance of the Tongxin Consideration and the Suzuan Consideration will be payable to the Shanghai Equity Exchange within five (5) business days after the date of the respective agreements.

The Board considered that the Tongxin Consideration and the Suzuan Consideration were fair and reasonable after taking into account (i) the net asset value of each of Shanghai Tongxin and Shanghai Suzuan; and (ii) the location and potential development prospects of the Sites, being the underlying assets held by the JV Companies. The Tongxin Consideration and the Suzuan Consideration, being RMB944.40 million in aggregate, will be satisfied by using the Group's internal resources.

### **Completion**

It is expected that Completion will take place on or around the same date after satisfaction of, among others, (i) the settlement of the Tongxin Consideration and Suzuan Consideration; and (ii) conditions precedents pursuant to the relevant sale and purchase agreements. Upon Completion, each of Shanghai Tongxin and Shanghai Suzuan will be wholly owned by the Company and their financials will be consolidated into the financial statements of the Group.

## **INFORMATION ON THE JV COMPANIES**

### **The JV Companies**

As of the date of this announcement, each of Shanghai Tongxin and Shanghai Suzuan is 80%-owned joint venture company of the Company. Both Shanghai Tongxin and Shanghai Suzuan are companies incorporated under the laws of the PRC with limited liability and are formed for the sole purpose of the Suhe Bay Acquisition, details of which are set out in the 2019 Announcement. The Suhe Bay Acquisition has been completed as at the date of this announcement.

Shanghai Tongxin, together with CR Land, holds a project company in equal shares, the major asset of which is the Huahe Site. The Company in turn holds 40% effective interest in the Huahe Site through its interest in Shanghai Tongxin as at the date of this announcement.

Shanghai Suzuan, together with CR Land, holds a project company in equal shares, the major asset of which is the Huayan Site. The Company in turn holds 40% effective interest in the Huayan Site through its interest in Shanghai Suzuan as at the date of this announcement.

The Huahe Site and the Huayan Site are located at Suhe Bay Area in the Jingan District, Shanghai, the PRC. The Sites are two adjoining sites currently under development which will mainly comprise office, commercial and residential components with a total gross floor area of approximately 329,000 sq. m upon completion of the development in around 2022.

### **Financial Information of the JV Companies**

Given that the JV Companies were established on 1 November 2019, set out below is the summary of financial information of the JV Companies for the period from 1 November 2019 to 31 December 2019 as prepared in accordance with the accounting principles generally accepted in the PRC (the “**PRC GAAPs**”), and the financial information of the JV Companies for the period from 1 January 2020 to 30 September 2020.

### *Shanghai Tongxin*

	<b>For the period from 1 November 2019 (date of incorporation) to 31 December 2019</b>	<b>For the 9 months ended 30 September 2020</b>
	<i>RMB'000</i>	<i>RMB'000</i>
	<b>(audited)</b>	<b>(unaudited)</b>
Net profit/(loss) before taxation	(2,558.1)	(7,203.4)
Net profit/(loss) after taxation	(2,558.1)	(7,203.4)

### *Shanghai Suzuan*

	<b>For the period from 1 November 2019 (date of incorporation) to 31 December 2019</b>	<b>For the 9 months ended 30 September 2020</b>
	<i>RMB'000</i>	<i>RMB'000</i>
	<b>(audited)</b>	<b>(unaudited)</b>
Net profit/(loss) before taxation	(1,863.2)	27,812.4
Net profit/(loss) after taxation	(1,863.2)	27,812.4

As at 30 September 2020, the unaudited net assets of Shanghai Tongxin and Shanghai Suzuan were approximately RMB2,223.9 million and RMB2,515.5 million, respectively.

### **REASONS FOR AND BENEFITS OF THE ACQUISITIONS**

With respect to the Company's property development and investment business, the Group has been identifying and exploring investment opportunities in different regions in the PRC with a view of generating revenue and achieving better return for the Shareholders. As disclosed in the 2019 Announcement, the JV Companies were established with Shanghai Zhonghong for the purpose of the Suhe Bay Acquisition for the development of the Sites, together with CR Land. The Sites are located within the core business districts of Shanghai and in close proximity to other established core business districts such as Nanjing West Road and Lujiazui.

The Company, as the existing shareholder of the JV Companies, believes that the Acquisitions represent a good opportunity for the Group to further increase its stake in the two joint ventures with CR Land, which is in line with the Group's business growth and strategies and the reasons for the Suhe Bay Acquisition as set out in the 2019 Announcement.

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

## **LISTING RULES IMPLICATIONS**

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

## **GENERAL INFORMATION ON THE GROUP, TAK HOPE AND SHUN YIN**

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.

Tak Hope was established in Hong Kong with limited liability and is wholly-owned by the Company. It is principally engaged in investment holding.

Shun Yin was established in Hong Kong with limited liability and is wholly-owned by the Company. It is principally engaged in investment holding.

## **INFORMATION ON SHANGHAI ZHONGHONG**

Shanghai Zhonghong is a company established in the PRC with limited liability and a wholly-owned subsidiary of China Enterprise Co., Ltd. (中華企業股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 600675), an Independent Third Party. Shanghai Zhonghong is principally engaged in property development in the PRC.

## DEFINITIONS

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

“2019 Announcement”	the announcement of the Company dated 4 December 2019 and the circular of the Company dated 26 March 2020 regarding the Suhe Bay Acquisition
“Acquisitions”	the Tongxin Acquisition and the Suzuan Acquisition
“Bid Bonds”	a sum equal to an amount of RMB89.32 million and RMB99.56 million previously paid by Tak Hope and Shun Yin respectively, pursuant to the terms of the Tenders as initial deposits
“Board”	the board of Directors
“Company”	Shun Tak Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange (Stock Code: 242)
“Completion”	the completion of each of the Tongxin Acquisition and the Suzuan Acquisition
“CR Land”	China Resources Land (Shanghai) Limited* (華潤置地(上海)有限公司), a company incorporated under the laws of the PRC with limited liability and wholly-owned by China Resources Land Limited, a company listed on the Stock Exchange (Stock Code: 1109), which is an Independent Third Party
“Director(s)”	the director(s), including independent non-executive director(s), of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huahe Site”	a land plot (Plot 33-02) located at Suhe Bay Area, Jingan District, Shanghai, the PRC

“Huayan Site”	three land plots (Plot 44-01, Plot 46-01, Plot 46-02) located at Suhe Bay Area, Jingan District, Shanghai, the PRC
“Independent Third Party(ies)”	independent third party(ies) not connected with the Company or its connected persons (as defined in the Listing Rules)
“JV Companies”	Shanghai Tongxin and Shanghai Suzuan
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Equity Exchange”	Shanghai United Assets And Equity Exchange* (上海聯合產權交易所), an entity approved to transact state-owned equity in the PRC
“Shanghai Suzuan”	Shanghai Suzuan Investment Company Limited* (上海蘇鑽投資有限公司), a company incorporated under the laws of the PRC with limited liability, which is owned as to 80% by Shun Yin and 20% by Shanghai Zhonghong as at the date of this announcement
“Shanghai Tongxin”	Shanghai Tongxin Investment Company Limited* (上海潼信投資有限公司), a company incorporated under the laws of the PRC with limited liability, which is owned as to 80% by Tak Hope and 20% by Shanghai Zhonghong as at the date of this announcement
“Shanghai Zhonghong”	Shanghai Zhonghong Real Estate Company Limited* (上海中鴻置業有限公司), a company incorporated under the laws of the PRC with limited liability and a wholly-owned subsidiary of China Enterprise Co., Ltd. (中華企業股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 600675), an Independent Third Party

“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shun Yin”	Shun Yin Limited (信筵有限公司), a company incorporated under the laws of Hong Kong with limited liability, which is a wholly-owned subsidiary of the Company
“Sites”	the Huahe Site and the Huayan Site
“sq. m”	square metre
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suhe Bay Acquisition”	the acquisition of 50% equity interests in two project companies holding the Sites by Shanghai Tongxin and Shanghai Suzuan as described in the 2019 Announcement
“Suzuan Acquisition”	the acquisition of the Suzuan Sale Interest by Shun Yin from Shanghai Zhonghong pursuant to the terms of the relevant Tender
“Suzuan Consideration”	the amount payable as consideration for the Suzuan Sale Interest in the amount of RMB497.80 million, being the final bid price for the relevant Tender
“Suzuan Sale Interest”	the 20% equity interest in Shanghai Suzuan held by Shanghai Zhonghong as at the date of this announcement
“Tak Hope”	Tak Hope Limited (得合有限公司), a company incorporated under the laws of Hong Kong with limited liability, which is a wholly-owned subsidiary of the Company
“Tender(s)”	the sale of the Tongxin Sale Interest and/or the Suzuan Sale Interest by way of public tender(s) (公開掛牌) at Shanghai Equity Exchange
“Tongxin Acquisition”	the acquisition of the Tongxin Sale Interest by Tak Hope from Shanghai Zhonghong pursuant to the terms of the relevant Tender

“Tongxin Consideration” the amount payable as consideration for the Tongxin Sale Interest in the amount of RMB446.60 million, being the final bid price for the relevant Tender

“Tongxin Sale Interest” the 20% equity interest in Shanghai Tongxin held by Shanghai Zhonghong as at the date of this announcement

“%” percent

\* *For identification purpose only*

*In this announcement, unless the context otherwise requires, the terms “connected person(s)” and “subsidiary(ies)” shall have the meanings given to such terms in the Listing Rules, as modified by the Stock Exchange from time to time.*

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

Hong Kong, 13 November 2020

*As at the date of this announcement, the executive Directors are Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho, Mr. David Shum and Mr. Rogier Verhoeven; and the independent non-executive Directors are Mr. Norman Ho, Mr. Charles Ho, Mr. Michael Wu and Mr. Kevin Yip.*