

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 AND CONNECTED TRANSACTION
IN RELATION TO
THE AWARD OF MAIN CONTRACT FOR
HENGQIN DEVELOPMENT PROJECT**

On 22 October 2015, the Project Company, an indirect non wholly-owned subsidiary of the Company and the developer of the Development, launched a tender for the Main Contract. CCEM won the tender for the Main Contract after taking into consideration that they have submitted the lowest tender price of RMB1,312 million, their experience and their quality of work in other construction developments.

To comply with local regulations for carrying out large scale construction works in Hengqin, the PRC, CCEM has nominated its parent company CSCEC (which holds over 50% indirect interests in CCEM and possesses the Certificate of Permit and Qualification for Hengqin Engineering and Construction Works (橫琴工程施工許可資質證明文件) (“**Certificate**”)) to enter into the Main Contract.

On 24 June 2016, the Project Company entered into the Main Contract with CSCEC whereby CSCEC is appointed as the main contractor for the construction of the Development. The contract sum is RMB1,312 million (approximately HK\$1,548 million), being the tender price offered by CCEM.

It has been confirmed by CCEM that the management team who is responsible to perform the works under the Main Contract will be deployed by CCEM.

CSCEC is the parent company of CSCI holding over 50% indirect interest in CSCI as at the date of this announcement. CSCI is a joint venture partner of the Company, through its wholly-owned subsidiary, holding 100% of Fast Shift Class B Share which entitles CSCI to 29% of the economic benefits in (or losses arising from) the residential portion of Nova City Phase 5. CCEM is a wholly-owned subsidiary of CSCI. Therefore each of CSCEC, CSCI and CCEM is the Company's connected person at subsidiary level under the Listing Rules and the award of the Main Contract constitutes a connected transaction of the Company.

As one of the applicable percentage ratios in respect of the Main Contract exceeds 5% but is less than 25%, the transaction contemplated under the Main Contract constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements but exempt from Shareholders' approval requirement.

By virtue of Rule 14A.101 of the Listing Rules, the Main Contract is a connected transaction of the Company only subject to the reporting and announcement requirements, but is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Appropriate disclosure of the transaction will be made in the next annual report and accounts of the Company in accordance with the Listing Rules.

THE AWARD OF THE MAIN CONTRACT FOR THE DEVELOPMENT

On 22 October 2015, the Project Company, an indirect non wholly-owned subsidiary of the Company and the developer of the Development, launched a tender for the Main Contract. CCEM won the tender for the Main Contract after taking into consideration that they have submitted the lowest tender price of RMB1,312 million, their experience and their quality of work in other construction developments.

To comply with local regulations for carrying out large scale construction works in Hengqin, the PRC, CCEM has nominated its parent company CSCEC (which holds over 50% indirect interests in CCEM and possesses the Certificate) to enter into the Main Contract.

On 24 June 2016, the Project Company entered into the Main Contract with CSCEC whereby CSCEC is appointed as the main contractor for the construction of the Development. The contract sum is RMB1,312 million (approximately HK\$1,548 million), being the tender price offered by CCEM.

It has been confirmed by CCEM that the management team who is responsible to perform the works under the Main Contract will be deployed by CCEM.

Major Terms of the Main Contract

Date:	24 June 2016
Developer:	The Project Company
Main Contractor:	CSCEC
Scope of Works:	<p>CSCEC, as the main contractor, shall be responsible, without limitation, for construction of the structure works for basement, podium and towers, including back of house finishes and fitting works etc.. The contract sum has included provisional sums for mechanical and electrical works, façade and interior fit out works which shall be tendered out later as nominated sub-contracts.</p> <p>The construction is expected to have an overall contract period of 885 calendar days.</p>
Contract Sum:	<p>The contract sum of the Main Contract is RMB1,312 million (approximately HK\$1,548 million), payable by the Project Company to CSCEC on a monthly basis based on the progress of works properly executed and of materials and goods delivered on site as certified by the architect appointed by the Project Company and subject to retention as stipulated in the conditions of contract.</p>
Liquidated and Ascertained Damages:	<p>In case the works under the Main Contract cannot be completed on time, CSCEC shall be charged at a rate of RMB150,000 per day.</p>
Performance Bond:	<p>Performance of CSCEC's obligations under the Main Contract is secured by a surety bond issued by a licensed bank in the PRC for a sum not less than 10% of the contract sum.</p>

REASONS FOR THE MAIN CONTRACT

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 Project Company, the developer of the Development and an indirect subsidiary owned as to 70% by the Company, is engaged in the business of property development.

CCEM is an indirect non wholly-owned subsidiary of CSCEC and an indirect wholly-owned subsidiary of CSCI. Its principal activity is property construction and development.

CSCEC is the parent company of both CSCI and CCEM holding over 50% indirect interests in each of CSCI and CCEM as at the date of this announcement. CSCEC is principally engaged in the business of housing construction, international contracting, real estate development and investment, infrastructure construction and investment.

CSCI is a company incorporated under the laws of the Cayman Islands and whose shares are listed on the Stock Exchange (Stock Code: 3311). CSCI and its subsidiaries are principally engaged in building construction, civil engineering works, infrastructure investments and project consultancy businesses.

CCEM is a well-established and reputable building contractor in Hong Kong and Macau with strong connection to the PRC market. They have proven track record in large scale building projects such as Zhonghai Yin Haiwan residential project* (中海銀海灣住宅項目), Nova City Phases 4 and 5, MGM Cotai project and Macau Tower Convention & Entertainment Centre. The Group has established a long working relationship with CCEM as they have not only completed the Nova City Phase 4 with satisfactory performance but are also the Group's joint venture partner in the residential portion and the main contractor of Nova City Phase 5.

The terms of the Main Contract, including the contract sum, are arrived at in a competitive tendering process. The Directors (including the independent non-executive Directors) consider that the terms of the Main Contract are fair and reasonable, the entering into the Main Contract is in the ordinary and usual course of business of the Group, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

As none of the Directors has a material interest in the Main Contract, none of the Directors was required to abstain from voting on the board resolution approving the Main Contract and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

CSCEC is the parent company of CSCI holding over 50% indirect interest in CSCI as at the date of this announcement. CSCI is a joint venture partner of the Company,

through its wholly-owned subsidiary, holding 100% of Fast Shift Class B Share which entitles CSCI to 29% of the economic benefits in (or losses arising from) the residential portion of Nova City Phase 5. CCEM is a wholly-owned subsidiary of CSCI. Therefore each of CSCEC, CSCI and CCEM is the Company's connected person at subsidiary level under the Listing Rules and the award of the Main Contract constitutes a connected transaction of the Company.

As one of the applicable percentage ratios in respect of the Main Contract exceeds 5% but is less than 25%, the transaction contemplated under the Main Contract constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements but exempt from Shareholders' approval requirement.

By virtue of Rule 14A.101 of the Listing Rules, the Main Contract is a connected transaction of the Company only subject to the reporting and announcement requirements, but is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Appropriate disclosure of the transaction will be made in the next annual report and accounts of the Company in accordance with the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“CCEM”	China Construction Engineering (Macau) Company Limited (中國建築工程(澳門)有限公司), a company incorporated under the laws of Macau with limited liability and an indirect wholly-owned subsidiary of CSCI
“CSCEC”	China State Construction Engineering Corporation Limited (中國建築股份有限公司), a joint stock company incorporated in the PRC, which is the parent company of both CSCI and CCEM holding over 50% indirect interests in each of CSCI and CCEM as at the date of this announcement

“CSCI”	China State Construction International Holdings Limited (中國建築國際集團有限公司), a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 3311)
“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)
“Development”	the mixed-use development comprising office, hotel, commercial and serviced apartment components to be erected on Plots Zhu Heng Guo Tu Chu (珠橫國土儲) No. 2013-04 located in Hengqin New Area, Zhuhai, the PRC, which has a site area of approximately 23,834 square meter and a maximum gross floor area of approximately 131,089 square meter
“Director(s)”	the director(s), including independent non-executive director(s), of the Company
“Fast Shift”	Fast Shift Investments Limited, a company incorporated under the laws of the British Virgin Islands with limited liability which is interested in 29% of NTUL. Save for its one issued non-voting Fast Shift Class B Share is indirectly held by CSCI which entitles CSCI to share 29% of the economic benefits in (or losses arising from) the residential portion of Nova City Phase 5, its entire issued share capital, being the Fast Shift Class A Share, is owned by the Company indirectly
“Fast Shift Class A Share”	the ordinary class A share of Fast Shift which is indirectly owned by the Company
“Fast Shift Class B Share”	the non-voting class B share of Fast Shift which is indirectly owned by CSCI
“Group”	the Company together with its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Main Contract”	a legally binding letter of award dated 24 June 2016 executed by the Project Company, as the developer, and CSCEC whereby CSCEC is appointed as the main contractor for the construction of the Development
“NTUL”	Nova Taipa — Urbanizações, Limitada (氹仔新城市發展有限公司), a company incorporated under the laws of Macau with limited liability and the developer of Nova City Phases 1 to 5, which is held, among others, as to 29% by Fast Shift
“PRC”	the People’s Republic of China
“Project Company”	Zhuhai Hengqin Shun Tak Property Development Company Limited* (珠海橫琴信德房地產開發有限公司), the developer of the Development and a company incorporated in the PRC with limited liability and indirectly owned as to 70% by the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	Percent

For the purpose of this announcement, the currency exchange rate of RMB to Hong Kong dollar is RMB1 = HK\$1.18

** For identification purpose only*

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

Hong Kong, 24 June 2016

As at the date of this announcement, the executive Directors of the Company are Dr. Stanley Ho, Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho, Mr. David Shum and Mr. Rogier Verhoeven; the non-executive Director is Mrs. Louise Mok; and the independent non-executive Directors are Mr. Norman Ho, Mr. Charles Ho, Mr. Michael Ng and Mr. Kevin Yip.