THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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.

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of Shun Tak Holdings Limited.

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

CONNECTED TRANSACTION INVOLVING ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE AND NOTICE OF GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

OPTIMA CAPITAL

Optima Capital Limited

A letter from the Board is set out on pages 6 to 17 of this circular. A letter from the Independent Board Committee is set out on pages 18 to 19 of this circular. A letter from Optima Capital containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 20 to 40 of this circular.

A notice convening the General Meeting 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 Friday, 10 March 2017 at 2:30 p.m. or any adjournment thereof is set out on pages GM-1 to GM-2 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.

22 February 2017

CONTENTS

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

"Abstained Directors"	Dr. Stanley Ho and Ms. Pansy Ho, each a Director of the Company, who have not given any opinion and have abstained from voting on the Board resolutions approving the Cash Vendors SPA and the Share Vendor SPA and the transactions contemplated thereunder
"Announcement"	the announcement of the Company dated 25 January 2017 in relation to, among others, the Share Vendor SPA (including the grant of the Specific Mandate)
"Board"	the board of Directors
"Business Day"	a day (other than a Saturday or Sunday) on which Hong Kong and Singapore clearing banks are open for the transaction of normal banking business
"Cash Vendors"	Perennial Singapore Investment Holdings Pte. Ltd., Singhaiyi TripleOne Pte. Ltd., Boustead Projects Limited, Imagine Properties Pte. Ltd., Shun Fung Holdings (Private) Limited, ROOI Holdings Pte. Ltd. and Grandma's Holdings Limited
"Cash Vendors Consideration"	S$305,003,845 (equivalent to approximately HK$1,669.2 million), subject to post-completion accounts adjustment pursuant to the Cash Vendor SPA
"Cash Vendors Sale Bonds"	Target Junior Bonds for an aggregate principal amount of S$139,690,000 (equivalent to approximately HK$764.5 million), representing 61% of the total issued Target Junior Bonds, and inclusive of any unpaid accrued interest in respect of such Target Junior Bonds on Completion
"Cash Vendors Sale Shares"	an aggregate of 1,396,900 Target Ordinary Shares and 1,396,900 Target Preference Shares, representing 61% of the total issued Target Ordinary Shares and 61% of the total issued Target Preference Shares, respectively
"Cash Vendors SPA"	a sale and purchase agreement dated 25 January 2017 and entered into among Simply Swift and the Cash Vendors in relation to the acquisition of the Cash Vendors Sale Shares and the Cash Vendors Sale Bonds
"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 the acquisition of the Share Vendor Sale Shares and the Share Vendor Sale Bonds in accordance with the terms and conditions of the Share Vendor SPA
"Consideration Shares"	up to 92,227,121 new Shares to be allotted and issued by the Company to the Share Vendor to satisfy the Share Vendor Consideration
"Director(s)"	the director(s), including independent non-executive director(s), of the Company
"General Meeting"	the general meeting of 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 10 March 2017 at 2:30 p.m. for the purpose of approving the grant of the Specific Mandate
"Governmental Authority"	any national, provincial or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public, regulatory, legislative or statutory instrumentality, authority, body, agency, department, bureau or entity (including any zoning authority or any comparable authority) or any arbitrator with authority to bind a party to the Share Vendor SPA or any company at law
"Group"	the Company together with 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
"Independent Board Committee"	the independent committee of the Board comprising Mr. Norman Ho, Mr. Charles Ho, Mr. Michael Ng and Mr. Kevin Yip, being all the independent non-executive Directors, which has been established to advise the Independent Shareholders in respect of the grant of the Specific Mandate
"Independent Financial Adviser" or "Optima Capital"	Optima Capital Limited, a licensed corporation under the SFO to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the grant of the Specific Mandate

"Independent Shareholders"	the Shareholders other than Dr. Stanley Ho, Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho, Shun Tak Shipping Company, Limited and their respective associates and any other persons who have material interests in the Share Vendor SPA and the grant of the Specific Mandate
"Issue Price"	HK$2.70 per Consideration Share
"Last Trading Day"	24 January 2017, being the last full trading day for the Shares before the date of the Announcement
"Latest Practicable Date"	20 February 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
"Listing Committee"	the listing committee of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Macau"	the Macao Special Administrative Region of the People's Republic of China
"MOP"	Macanese pataca, the lawful currency of Macau
"Post-Completion Accounts Adjustment"	adjustment to the Share Vendor Base Consideration with reference to the Completion NAV Amount, details of which are more particularly set out under the section headed "Principal Terms of the Share Vendor SPA - Post-Completion Accounts Adjustment" in the "Letter from the Board" contained in this circular
"Property"	a 17-storey development known as TripleOne Somerset situated at 111 Somerset Road, Singapore
"Property Valuation Report"	the property valuation report set out in Appendix I to this circular, issued by the Property Valuer in accordance with the requirements of the Listing Rules
"Property Valuer"	Savills Valuation And Professional Services (S) Pte Ltd
"S$"	Singapore dollars, the lawful currency of Singapore
"Sai Wu Agreement"	the agreement dated 1 November 2016 and entered into among Sai Wu Investment Limited, Shun Tak Nam Van Investment Limited and the Company, which particulars are set out in the circular of the Company dated 29 November 2016

"Senior Loan Facilities"	certain bank loan facilities granted by certain financial institutions in Singapore to Perennial (Somerset) Pte. Ltd., an indirect wholly-owned subsidiary of the Target Company
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of the Company
"Share Vendor"	Unified Elite Limited, a company incorporated in the British Virgin Islands with limited liability and owned as to 100% by Ms. Pansy Ho (a Director and a substantial shareholder of the Company)
"Share Vendor Base Consideration"	S$45,000,567 (equivalent to approximately HK$246.3 million)
"Share Vendor Consideration"	the Share Vendor Base Consideration, subject to the Post-Completion Accounts Adjustment
"Share Vendor Sale Bonds"	Target Junior Bonds for an aggregate principal amount of S$20,610,000 (equivalent to approximately HK$112.8 million), representing 9% of the total issued Target Junior Bonds, and inclusive of any unpaid accrued interest in respect of such Target Junior Bonds on Completion
"Share Vendor Sale Shares"	an aggregate of 206,100 Target Ordinary Shares and 206,100 Target Preference Shares, representing 9% of the total issued Target Ordinary Shares and 9% of the total issued Target Preference Shares, respectively
"Share Vendor Settlement Date"	the latest of the following dates: (i) the date following the General Meeting; (ii) the date on which the Completion Accounts is issued and the Completion NAV Amount is determined and agreed upon between Simply Swift and the Share Vendor in writing with reference to the Completion Accounts; and (iii) the date of completion of the Share Vendor SPA
"Share Vendor SPA"	a sale and purchase agreement dated 25 January 2017 and entered into among Simply Swift, the Company and the Share Vendor in relation to the acquisition of the Share Vendor Sale Shares and the Share Vendor Sale Bonds
"Shareholder(s)"	holder(s) of the Share(s)

"Simply Swift"	Simply Swift Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
"Singapore"	the Republic of Singapore
"Specific Mandate"	the specific mandate to be proposed at the General Meeting for approval by the Independent Shareholders in relation to the allotment and issuance of up to 92,227,121 Consideration Shares to the Share Vendor
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Perennial Somerset Investors Pte. Ltd., a company incorporated in Singapore with limited liability and the owner of the Property
"Target Group"	the Target Company and its subsidiaries
"Target Junior Bonds"	bearer bonds comprising S$229,000,000 junior bonds issued by the Target Company
"Target Ordinary Shares"	issued ordinary shares in the capital of the Target Company
"Target Preference Shares"	issued redeemable preference shares in the capital of the Target Company
"%"	percent

In this circular, unless the context otherwise requires, the terms "associate(s)", "connected person(s)", "connected transaction(s)", "controlling shareholder(s)", "subsidiary(ies)" and "substantial shareholder(s)" shall have the meanings given to such terms in the Listing Rules, as modified by the Stock Exchange from time to time.

For the purpose of this circular, unless the context otherwise requires, conversion of Singapore dollars into Hong Kong dollars is based on the approximate exchange rate of S$1 to HK$5.47275, which is the middle rate of the selling rate and the buying TT rate published by the Hong Kong Association of Banks on the Business Day immediately preceding the date of the Announcement. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in Singapore dollars or Hong Kong dollars have been, could have been or may be converted at such or any other rate or at all.

Certain amounts and percentage figures set out in this circular have been subject to rounding adjustments.

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*
Ms. Pansy Ho *(Managing Director)*
Ms. Daisy Ho *(Deputy Managing Director)*
Ms. Maisy Ho
Mr. David Shum
Mr. Rogier Verhoeven

* *Independent Non-Executive Director*

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

22 February 2017

To the Shareholders,

Dear Sir or Madam,

CONNECTED TRANSACTION INVOLVING ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE AND NOTICE OF GENERAL MEETING

INTRODUCTION

Reference is made to the Announcement in which the Board announced, *inter alia*, that Simply Swift, the Company and the Share Vendor (a connected person of the Company) entered into the Share Vendor SPA on 25 January 2017, pursuant to which the Share Vendor conditionally agreed to sell, and Simply Swift conditionally agreed to purchase, the Share Vendor Sale Shares and the Share Vendor Sale Bonds, which is to be settled by (i) the issuance of up to 92,227,121 Consideration Shares by the

Company to the Share Vendor at the Issue Price of HK$2.70 per Consideration Share if the grant of the Specific Mandate is approved by the Independent Shareholders at the General Meeting; or (ii) cash payment by Simply Swift if the grant of the Specific Mandate is not approved by the Independent Shareholders at the General Meeting.

Since one or more of the applicable percentage ratios (calculated based on the maximum amount of the Share Vendor Consideration) is more than 0.1% but are all less than 5%, pursuant to Rule 14A.76(2)(a) of the Listing Rules, the acquisition contemplated under the Share Vendor SPA is subject to the reporting and announcement requirements and is exempt from the circular and Shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules, except for the allotment and issuance of the Consideration Shares to the Share Vendor which is subject to the approval by the Independent Shareholders at the General Meeting for the grant of the Specific Mandate. Therefore, the Company will seek the grant of the Specific Mandate from the Independent Shareholders at the General Meeting for the allotment and issue of the Consideration Shares to the Share Vendor.

The Independent Board Committee has been formed to consider and advise the Independent Shareholders on the grant of the Specific Mandate.

The purpose of this circular is to provide you with, among other things, (i) further information on the Share Vendor SPA and the Specific Mandate; (ii) the letter from the Independent Board Committee; (iii) the letter from Optima Capital; (iv) the Property Valuation Report; (v) notice of the General Meeting; and (vi) other information as required under the Listing Rules.

PRINCIPAL TERMS OF THE SHARE VENDOR SPA

Date

25 January 2017

Parties

(1) Simply Swift (as the purchaser), an indirect wholly-owned subsidiary of the Company;

(2) the Company; and

(3) Unified Elite Limited (as the seller), holder of 9% of the total issued Target Ordinary Shares, Target Preference Shares and Target Junior Bonds, respectively, and a connected person of the Company.

Subject matter

Subject to the terms and conditions of the Share Vendor SPA, the Share Vendor conditionally agreed to sell, and Simply Swift conditionally agreed to purchase, the Share Vendor Sale Shares (representing 9% of the total issued Target Ordinary Shares and 9% of the total issued Target Preference Shares) and the Share Vendor Sale Bonds (representing 9% of the total issued Target Junior Bonds). The aggregate original cost of the Share Vendor Sale Shares and the Share Vendor Sale Bonds to the Share Vendor was S$29,245,590 (equivalent to approximately HK$160.1 million).

Please refer to the section headed "Information on the Target Company and the Property" below for further details on the Target Company and the Property.

Share Vendor Consideration

The Share Vendor Consideration for the Share Vendor SPA shall be in the base amount of S$45,000,567 (equivalent to approximately HK$246.3 million), comprising S$24,390,567 (equivalent to approximately HK$133.5 million) for the sale of the Share Vendor Sale Shares and S$20,610,000 (equivalent to approximately HK$112.8 million) for the sale of the Share Vendor Sale Bonds, subject to the Post-Completion Accounts Adjustment. The Share Vendor Consideration shall be satisfied within five Business Days after the Share Vendor Settlement Date by:

(a) if the grant of the Specific Mandate is approved by the Independent Shareholders at the General Meeting, the issuance and allotment by the Company to the Share Vendor (or its nominee) of such number of Consideration Shares as calculated by the Share Vendor Consideration (after the Post-Completion Accounts Adjustment) (based on the exchange rate of S$1 to HK$5.47275) divided by the Issue Price (rounded down to the nearest whole number); or

(b) if the grant of the Specific Mandate is not approved by the Independent Shareholders at the General Meeting, cash payment in such amount equivalent to the Share Vendor Consideration (after the Post-Completion Accounts Adjustment) by Simply Swift to the Share Vendor.

Issue Price

The Issue Price of HK$2.70 per Consideration Share was determined after arm's length negotiations between the Company and the Share Vendor, and represents the average of the closing price of the Shares as quoted on the Stock Exchange for the 20 consecutive trading days immediately preceding the date of the Share Vendor SPA.

The Issue Price represents:

(a) a discount of approximately 1.46% to the closing price of the Shares of HK$2.74 per Share as quoted on the Stock Exchange on the Last Trading Day;

(b) a discount of approximately 1.82% to the average of the closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of approximately HK$2.75 per Share; and

(c) a discount of approximately 73.86% over the unaudited consolidated net asset value of the Company per Share in issue as at 30 June 2016.

Basis of the Share Vendor Base Consideration

The Share Vendor Base Consideration was determined after arm's length negotiations among the parties to the Share Vendor SPA, taking into consideration of, among others, the following factors:

(a) the current and expected market value of the Property attributable to the Target Company upon completion of an asset enhancement program which is currently underway, as discounted after accounting for the as-is condition of the Property and any additional costs and liabilities to be incurred and the risks to be taken by Simply Swift as the purchaser;

(b) the total assets and liabilities of the Target Group other than the Property; and

(c) the equity interest in the Target Company represented by the Share Vendor Sale Shares.

The Directors (excluding the Abstained Directors) are of the view that the terms of the Share Vendor SPA, which have been reached after arm's length negotiations among the parties thereto, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, taking into account, among other things, the terms and conditions of the Share Vendor SPA and the value and condition of the Property.

Conditions precedent under the Share Vendor SPA

Completion of the Share Vendor SPA is conditional on the fulfilment (or, if applicable, the waiver) of the following conditions (collectively, the **Conditions**):

(a) Simply Swift or the Company having obtained such consents or approvals as may be required by any Governmental Authority in Hong Kong to complete the transactions contemplated in the Share Vendor SPA (other than the Specific Mandate for the Share Vendor SPA);

(b) all necessary consents or waivers from the relevant banks which have provided banking facilities to the Target Group which are required for the performance and/or completion of the Share Vendor SPA having been obtained on terms and conditions reasonably satisfactory to Simply Swift and not having been revoked or amended prior to Completion;

(c) the lenders to the Senior Loan Facilities having discharged or released the Share Vendor and their respective affiliates from their undertakings given in relation to the Senior Loan Facilities on reasonably satisfactory terms and conditions;

(d) in respect of the Target Junior Bonds which are currently held by a trustee on behalf of the holders, such trustee having executed supplemental agreements to the relevant trust deed in relation to the Target Junior Bonds, subject to Completion taking place;

(e) the warranties given by the Share Vendor remaining true and accurate and not misleading in any material respect if they were repeated at Completion by reference to the facts and circumstances then existing; and

(f) the auditor of the Target Company having completed the audit of and issued an unqualified opinion on the financial statements of the Target Group for the financial year ended 31 December 2016.

Simply Swift may at its discretion waive any of the Conditions set out in paragraphs (e) and (f) above. The Conditions set out in paragraphs (b) to (d) above may be waived with written consent of all parties to the Share Vendor SPA. The Condition set out in paragraph (a) above is not waivable by the parties to the Share Vendor SPA.

If any Condition is not fulfilled or waived (as applicable) on or before 30 June 2017 (or such later date as the parties may agree in writing), the Share Vendor SPA shall terminate and no party thereto shall have any claim against any of the others, except in respect of any antecedent breach of the terms thereof.

Completion of the Share Vendor SPA

Completion shall take place on the later of (i) 28 February 2017 or (ii) the fifth Business Day after the date on which all the Conditions are fulfilled or waived (as applicable), or such other date as the parties to the Share Vendor SPA shall agree in writing. Upon Completion, Simply Swift shall enter into tax deeds of indemnity with the Share Vendor. For the avoidance of doubt, the completions of the Cash Vendors SPA and the Share Vendor SPA are not conditional upon each other.

Upon Completion, the Company will have acquired 9% interest in the Target Company and together with the completion of the Cash Vendors SPA, the Target Company will become an indirect subsidiary owned by the Company as to 70% and its financial results will be consolidated into the consolidated financial statements of the Group. Perennial Singapore Investment Holdings Pte. Ltd., one of the Cash Vendors, shall continue to hold the remaining 30% interest in the Target Company after the Completion of the Share Vendor SPA and the completion of the Cash Vendors SPA.

The Target Company owns the Property through its indirect wholly-owned subsidiary, Perennial (Somerset) Pte. Ltd.. Upon Completion, the Target Company will enter into a supplemental asset management agreement and a supplemental property and project management agreement and other related agreements in relation to the provision of asset, property and project management services in respect of the Property. Please refer to the paragraph headed "Information on the Target Company and the Property" below for more information of the Target Company and the Property.

After the Completion of the Share Vendor SPA and the completion of the Cash Vendors SPA, as the Target Company will become an indirect subsidiary of the Company, Perennial Singapore Investment Holdings Pte. Ltd. will become a connected person of the Company by virtue of its interests in the Target Company. Therefore, any transactions such as provision of asset, property and project management services in respect of the Property between the Target Company and Perennial Singapore Investment Holdings Pte. Ltd. or its associates may become continuing connected transactions of the Company under Chapter 14A of the Listing Rules after the Completion of the Share Vendor SPA and the completion of the Cash Vendors SPA. The Company will comply with the applicable requirements under the Listing Rules, such as announcement and/or shareholders' approval requirements, as and when appropriate.

Post-Completion Accounts Adjustment

Pursuant to the Share Vendor SPA, as soon as practicable after Completion, an internationally recognised accounting firm shall be appointed to perform an audit on the consolidated balance sheet of the Target Group as at Completion (the Completion Accounts) for the purpose of the determination of the Share Vendor's pro-rata share of the net asset value of the Target Group as at Completion (the Completion NAV Amount), which shall take into account, among others, the value of the Property with reference to its total net strata area, and other assets and liabilities of the Target Group as at Completion.

Pursuant to the Share Vendor SPA, the Share Vendor Base Consideration shall be subject to adjustment with reference to the Completion NAV Amount (the **Post-Completion Accounts Adjustment**) in the following manner, in the event that its pro-rata share of the Completion NAV Amount is:

(i) more than the Share Vendor Base Consideration, an amount equal to such excess up to a maximum amount of S$500,000 (equivalent to approximately HK$2.7 million) shall be added to the Share Vendor Base Consideration for the determination of the Share Vendor Consideration;

(ii) less than the Share Vendor Base Consideration, an amount equal to such shortfall shall be deducted from the Share Vendor Base Consideration for the determination of the Share Vendor Consideration; or

(iii) equal to the Share Vendor Base Consideration, no adjustment is required and the Share Vendor Consideration shall be equal to the Share Vendor Base Consideration.

The Share Vendor Consideration, being the Share Vendor Base Consideration as adjusted by the Post-Completion Accounts Adjustment (if any), shall be settled within five Business Days after the Share Vendor Settlement Date, which is the latest of (i) the date following the General Meeting; (ii) the date on which the Completion Accounts is issued and the Completion NAV Amount is determined and agreed upon between Simply Swift and the Share Vendor in writing with reference to the Completion Accounts; and (iii) the date of completion of the Share Vendor SPA.

Pursuant to the Post-Completion Accounts Adjustment set out above, upward adjustment, if any, to the Share Vendor Base Consideration will be capped at S$500,000 (equivalent to approximately HK$2.7 million). Based on the maximum amount of the Share Vendor Consideration of S$45,500,567 (equivalent to approximately HK$249.0 million), the Company would be required, if the grant of the Specific Mandate is approved by the Independent Shareholders at the General Meeting, to allot and issue up to 92,227,121 Consideration Shares to the Share Vendor within five Business Days after the Share Vendor Settlement Date. The Company will seek the grant of the Specific Mandate from the Independent Shareholders at the General Meeting for the allotment and issuance of up to 92,227,121 Consideration Shares.

APPLICATION FOR LISTING

Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares.

EFFECT OF THE ISSUE OF THE CONSIDERATION SHARES ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming that Simply Swift will pay the maximum amount of the Share Vendor Consideration of S$45,500,567 (equivalent to approximately HK$249.0 million) pursuant to the Share Vendor SPA and the grant of the Specific Mandate is approved by the Independent Shareholders at the General Meeting, the maximum amount of 92,227,121 Consideration Shares to be allotted and issued by the Company to the Share Vendor will constitute approximately 3.03% of the existing issued Shares and approximately 2.94% of the enlarged issued Shares immediately after the issue of all of the Consideration Shares.

Details of the shareholding structure of the Company as at the Latest Practicable Date and immediately after the issue of the maximum amount of Consideration Shares (assuming that there is no other change to the shareholding structure of the Company) are set out below:

	Issued Shares as at the Latest Practicable Date		**Issued Shares immediately after issue of all Consideration Shares**	
	(no. of Shares)	%	*(no. of Shares)*	%
Dr. Stanley Ho	1,798,559	0.06%	1,798,559	0.06%
Ms. Pansy Ho	525,664,564	17.28%	525,664,564	16.77%
Share Vendor or its nominee	—	—	92,227,121	2.94%
Ms. Daisy Ho	220,639,816	7.25%	220,639,816	7.04%
Ms. Maisy Ho	70,618,215	2.32%	70,618,215	2.25%
Renita Investments Limited and its subsidiary	500,658,864	16.46%	500,658,864	15.97%
Shun Tak Shipping Company, Limited and its subsidiaries	373,578,668	12.28%	373,578,668	11.92%
Megaprosper Investments Limited	65,040,000	2.14%	65,040,000	2.07%
Others	1,284,467,099	42.21%	1,284,467,099	40.98%
Total	**3,042,465,785**	**100%**	**3,134,692,906**	**100%**

REASONS FOR AND BENEFITS OF ENTERING INTO THE SHARE VENDOR SPA

The Property represents an excellent opportunity for the Company to invest in a high-quality commercial property in close proximity to Orchard Road, Singapore's prime retail, business and medical hub. It enjoys direct access to the Mass Rapid Transit, and is connected to the rest of city by a convenient highway network.

The Property is currently undergoing an extensive asset enhancement program and holds significant potential for enhanced returns. While the proposed acquisition of 70% interest in the Property will provide immediate contribution to the Group's recurrent income, the Group will, subject to the prevailing market condition, consider disposing of the Property on a strata title basis.

The Board considers the proposed transactions to be a favorable strategy, whereby the Group can leverage its core strengths in property development, investment and management to extend its footprint in a key Asian city.

Having regard to the reasons for and benefits of the proposed transactions, the Directors (excluding the Abstained Directors) are of the view that the terms of the Share Vendor SPA have been reached after arm's length negotiations among the parties and are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE TARGET COMPANY AND THE PROPERTY

The Target Company is a company incorporated in Singapore with limited liability and its principal asset is the Property. Set out below is the consolidated financial information of the Target Group for the period from 25 September 2013 to 31 December 2014, the twelve months ended 31 December 2015 and the eleven months ended 30 November 2016, respectively:

	For the period from 25 September 2013 to 31 December 2014	**For the twelve months ended 31 December 2015**	**For the eleven months ended 30 November 2016**
	(audited)	*(audited)*	*(unaudited)*
	S$'000	*S$'000*	*S$'000*
Net profit/(losses) before taxation	4,322	(935)	3,799
Net profit after taxation	3,929	239	2,884
Net asset value *(Note)*	4,273	4,512	7,395

Note: Net asset value of the Target Group is the value of its total assets net of its total liabilities. For accounting purposes, the Target Preference Shares and the Target Junior Bonds are treated as liabilities of the Target Group.

The Property

The Property, namely TripleOne Somerset, is a 17-storey commercial landmark development situated at 111 Somerset Road, Singapore with a gross floor area of approximately 766,550 square feet. The Property, with an occupancy rate of approximately 75% in December 2016 for the office section, comprises 15 storeys of premium office units on two towers, 2 levels of retail podium and 2 levels of basement car park.

The Property is currently undergoing an extensive asset enhancement program to enhance the quality and value of the Property, which involves additions and alteration works to the building erected on the Property, including, among other things, conversion of certain office spaces into medical units, revamping of office lobbies, setting up new concierge office, and building of sheltered drop off point and sheltered connectivity to the nearby subway station. To the best knowledge of the Company, the asset enhancement program had commenced in the second half of 2016 and therefore is still in its early stage where the retail section of the Property has been closed for the works, and it is expected to be completed by the end of 2018 or early 2019. As at the Latest Practicable Date, the estimated total costs for the asset enhancement program to be incurred is approximately S$102 million, which is expected to be funded by bank loans. Under the Cash Vendors SPA and the Share Vendor SPA, the total net strata area of the Property is expected to be, subject to adjustment, approximately 572,000 square feet for office, medical suites and retail components upon completion of the asset enhancement works.

The Company has appointed the Property Valuer to value the market value of the Property as at 3 February 2017, the details of which have been set out in the Property Valuation Report in Appendix I to this circular.

INFORMATION ON THE GROUP AND SIMPLY SWIFT

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.

Simply Swift is a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company.

INFORMATION ON THE SHARE VENDOR

The Share Vendor is a company incorporated in the British Virgin Islands with limited liability and owned as to 100% by Ms. Pansy Ho, a Director and a substantial shareholder of the Company. The Share Vendor is principally engaged in investment holding.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Cash Vendors SPA and the Share Vendor SPA (calculated based on the aggregate sum of the maximum amount of the Cash Vendors Consideration and the Share Vendor Consideration) is more than 5% but less than 25%, the entering into the Cash Vendors SPA and the Share Vendor SPA, when aggregated, constitute discloseable transactions of the Company which are only subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the Share Vendor is a company wholly-owned by Ms. Pansy Ho (a Director and a substantial shareholder of the Company) and hence, a connected person of the Company, the entering into the Share Vendor SPA and the transactions contemplated thereunder also constitute a connected transaction of the Company. Since one or more of the applicable percentage ratios (calculated based on the maximum amount of the Share Vendor Consideration) is more than 0.1% but less than 5%, pursuant to Rule 14A.76(2)(a) of the Listing Rules, such acquisition is subject to the reporting and announcement requirements and is exempt from the circular and Shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules, except for the allotment and issuance of the Consideration Shares to the Share Vendor which is subject to the approval by the Independent Shareholders at the General Meeting for the grant of the Specific Mandate.

THE 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 Friday, 10 March 2017 at 2:30 p.m., for the Independent Shareholders to consider and, if thought fit, pass the requisite resolution to approve the grant of the Specific Mandate. In compliance with the Listing Rules, the resolution will be voted on by way of poll at the General Meeting.

Dr. Stanley Ho (father of Ms. Pansy Ho), Ms. Pansy Ho, Ms. Daisy Ho (a sister of Ms. Pansy Ho), Ms. Maisy Ho (a sister of Ms. Pansy Ho), and Shun Tak Shipping Company, Limited and its subsidiaries and their respective associates, including Renita Investments Limited and its subsidiary, and Megaprosper Investments Limited (together holding 1,757,998,686 Shares, being approximately 57.78% of the total issued Shares as at the Latest Practicable Date) are required to abstain from voting on the relevant resolution to be proposed at the General Meeting. Ms. Pansy Ho has beneficial interest in Shun Tak Shipping Company, Limited, Renita Investments Limited and Megaprosper Investments Limited, respectively, and is also a director of each of these companies. Save as disclosed, to the best knowledge, information and belief of the Directors, no other Shareholder has a material interest in the Share Vendor SPA and the grant of the Specific Mandate and therefore would be required to abstain from voting on the relevant resolution to be proposed at the General Meeting.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, apart from the Abstained Directors (namely Dr. Stanley Ho and Ms. Pansy Ho) who have both abstained from voting on the Board resolutions approving the Share Vendor SPA and the transactions contemplated thereunder in view of their respective interests therein, no other Directors were in any way materially interested in the Share Vendor SPA and the transactions contemplated thereunder.

The Independent Board Committee has been formed to consider and advise the Independent Shareholders on the grant of the Specific Mandate. The Company has, with the approval of the Independent Board Committee, appointed Optima Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the grant of the Specific Mandate.

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 Wednesday, 8 March 2017 to Friday, 10 March 2017, 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 Tuesday, 7 March 2017.

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 18 to 19 of this circular. The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, text of which is set out on pages 20 to 40 of this circular, considers that the issue of the Consideration Shares pursuant to the Specific Mandate is fair and reasonable and is in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolution to be proposed at the General Meeting to approve the grant of the Specific Mandate.

The Directors (excluding the Abstained Directors) are of the view that the issue of the Consideration Shares pursuant to the Specific Mandate is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the resolution to be proposed at the General Meeting to approve the proposed grant of the Specific Mandate.

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.

WARNING

SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD BE AWARE THAT THE CASH VENDORS SPA AND THE SHARE VENDOR SPA ARE SUBJECT TO THE SATISFACTION OF A NUMBER OF CONDITIONS, AND MAY OR MAY NOT PROCEED. ACCORDINGLY, SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES OF THE COMPANY.

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

The following is the text of a letter from the Independent Board Committee to the Independent Shareholders in connection with the grant of the Specific Mandate for inclusion in this circular.

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

22 February 2017

To the Independent Shareholders,

Dear Sir or Madam,

CONNECTED TRANSACTION INVOLVING ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE AND NOTICE OF GENERAL MEETING

We refer to the circular dated 22 February 2017 issued by the Company, of which this letter forms part thereof (the Circular). Unless otherwise specified, capitalised terms defined in the Circular shall have the same meanings when used herein.

The Independent Board Committee has been formed to advise you in relation to the issue of the Consideration Shares pursuant to the Specific Mandate, details of which are set out in the section headed "Letter from the Board" contained in the Circular. Optima Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. The text of the letter of advice from the Independent Financial Adviser containing its recommendations and the principal factors it has taken into account in arriving at its recommendations are set out on pages 20 to 40 of the Circular.

Having considered the terms and conditions of the Share Vendor SPA, as well as the advice and recommendations of the Independent Financial Adviser set out in its letter of advice, we consider that the issue of the Consideration Shares pursuant to the Specific Mandate, though not in the ordinary and usual course of business of the Group, is on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

On the basis above, we recommend that the Independent Shareholders vote in favour of the resolution approving the grant of the Specific Mandate at the General Meeting.

Yours faithfully,
For and on behalf of
the Independent Board Committee of
Shun Tak Holdings Limited
Mr. Norman Ho, Mr. Charles Ho, Mr. Michael Ng and Mr. Kevin Yip
Independent Non-Executive Directors

The following is the text of a letter of advice from Optima Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the grant of the Specific Mandate, which has been prepared for the purpose of incorporation in this circular.

Suite 1501, 15th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

22 February 2017

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

CONNECTED TRANSACTION INVOLVING ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the grant of the Specific Mandate, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular of the Company dated 22 February 2017 (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise specified.

On 25 January 2017, the Company, Simply Swift (an indirect wholly-owned subsidiary of the Company) and the Share Vendor, entered into the Share Vendor SPA, pursuant to which the Share Vendor conditionally agreed to sell, and Simply Swift conditionally agreed to purchase, the Share Vendor Sale Shares (representing 9% of the total issued Target Ordinary Shares and 9% of the total issued Target Preference Shares) and the Share Vendor Sale Bonds (representing 9% of the total issued Target Junior Bonds) at the Share Vendor Consideration, which is to be settled by (a) the issuance of the Consideration Shares by the Company to the Share Vendor (or its nominee) if the grant of the Specific Mandate is approved by the Independent Shareholders at the General Meeting; or (b) cash payment by Simply Swift if the grant of the Specific Mandate is not approved by the Independent Shareholders at the General Meeting.

Also on 25 January 2017, Simply Swift entered into the Cash Vendors SPA with the Cash Vendors, pursuant to which the Cash Vendors conditionally agreed to sell, and Simply Swift conditionally agreed to purchase, the Cash Vendors Sale Shares (representing 61% of the total issued Target Ordinary Shares and 61% of the total issued Target Preference Shares) and the Cash Vendors Sale Bonds (representing 61% of the total issued Target Junior Bonds) at the Cash Vendors Consideration. As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Cash Vendors SPA and the Share Vendor SPA (calculated based on the aggregate sum of the maximum amount of the Cash Vendors Consideration and the Share Vendor Consideration) is more than 5% but less than 25%, the entering into of the Cash Vendors SPA and the Share Vendor SPA, when aggregated, constitute discloseable transactions of the Company which are only subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the Share Vendor is a company wholly-owned by Ms. Pansy Ho (a Director and a substantial shareholder of the Company) and hence, a connected person of the Company, the entering into of the Share Vendor SPA and the transactions contemplated thereunder constitute a connected transaction of the Company. Since one or more of the applicable percentage ratios (calculated based on the maximum amount of the Share Vendor Consideration) is more than 0.1% but less than 5%, pursuant to Rule 14A.76(2)(a) of the Listing Rules, the acquisition contemplated under the Share Vendor SPA is subject to the reporting and announcement requirements but is exempt from the circular and Shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules, except for the allotment and issuance of the Consideration Shares to the Share Vendor which is subject to the approval by the Independent Shareholders at the General Meeting for the grant of the Specific Mandate.

The Independent Board Committee, comprising Mr. Norman Ho, Mr. Charles Ho, Mr. Michael Ng and Mr. Kevin Yip, being all the independent non-executive Directors, has been established to advise the Independent Shareholders in respect of the grant of the Specific Mandate. We, Optima Capital Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

As at the Latest Practicable Date, neither Optima Capital Limited nor persons stipulated under Rule 13.84(4) of the Listing Rules had any current business relationship with the Company, the Share Vendor, or a director, subsidiary, holding company or substantial shareholder of the Company or the Share Vendor, which would be reasonably considered to affect our independence in performing the duties as set out in the Listing Rules, or might reasonably give rise to a perception that our independence would be so affected.

In formulating our opinion and recommendation, we have reviewed, among other things, the Announcement, the Circular (including the Board Letter), the Share Vendor SPA, the Cash Vendors SPA, the annual report (the "**Annual Report 2015**") of the Company for the year ended 31 December 2015 ("**FY2015**"), the interim report (the "**Interim Report 2016**") of the Company for the six months ended 30 June 2016 ("**1H2016**"), and the Property Valuation Report. We have also discussed with the Directors and/or the management of the Group (the "**Management**") in respect of, among other things, the Share Vendor SPA and the transactions contemplated thereunder.

We have relied on the information and facts supplied, and the statements, representations and opinions made, by the Management to us or referred to in the Circular and have assumed that they are true, accurate and complete in all material respects at the time they were made and continue to be true, accurate and complete in all material respects up to the Latest Practicable Date. We have also sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed to us. We have relied on such information and consider that the information we have received is sufficient for us to reach an informed view and we have no reason to believe that any material information has been withheld, or to doubt the truth or accuracy of the information provided. We have not, however, conducted any independent investigation into the business and affairs of the Group, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our advice with regard to the transactions contemplated under the Share Vendor SPA and the grant of the Specific Mandate, we have taken into account the following principal factors and reasons:

1. Background of the acquisition of the Target Company

As disclosed in the Announcement, on 25 January 2017, Simply Swift entered into (i) the Cash Vendors SPA with the Cash Vendors (one of whom is a substantial shareholder of an insignificant subsidiary (as defined in Rule 14.09 of the Listing Rules) of the Company and the others are third parties independent of the Company and its connected persons); and (ii) the Share Vendor SPA with the Company and the Share Vendor (which is a connected person of the Company), respectively, for the acquisition of an aggregate of 70% interest in the Target Company (the "**Acquisition**"), for a base consideration of S$350,004,412 (equivalent to approximately HK$1,915.5 million) which is subject to the Post-Completion Accounts Adjustment up to a maximum consideration of S$353,504,412 (equivalent to approximately HK$1,934.6 million).

The Cash Vendors Consideration will be settled by cash payment to the Cash Vendors, while the Share Vendor Consideration will be settled by (a) the issuance of the Consideration Shares to the Share Vendor (or its nominee) if the grant of the Specific Mandate is approved by the Independent Shareholders at the General Meeting, or (b) cash payment to the Share Vendor if the grant of the Specific Mandate is not approved by the Independent Shareholders at the General Meeting. Completion of each of the Cash Vendors SPA and the Share Vendor SPA is not inter-conditional and is subject to the respective conditions precedent to the Cash Vendors SPA and the Share Vendor SPA. The Management was not aware of any major obstacles in fulfilling the respective conditions precedent to the Cash Vendors SPA and the Share Vendor SPA as at the Latest Practicable Date. Upon completion of both the Cash Vendors SPA and the Share Vendor SPA, the Target Company will become an indirect subsidiary owned as to 70% by the Company.

2. 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 holding.

Based on the Annual Report 2015 and the Interim Report 2016, the principal activities of the Group have been classified into four reportable segments, namely (a) the property segment which refers to property development and sales, leasing and management services; (b) the transportation segment which refers to passenger transportation services; (c) the hospitality segment which refers to hotel operation, hotel management and travel agency services; and (d) the investment segment which refers to investment holding and others. Set out below is the segment information for the year ended 31 December 2014 ("**FY2014**"), FY2015 and 1H2016, as extracted from the Annual Report 2015 and the Interim Report 2016 respectively:

Revenue and other income:

	FY2014	**FY2015**	**1H2016**
	HK$'000	*HK$'000*	*HK$'000*
Property	5,922,931	876,131	221,658
Transportation	2,481,618	2,440,701	1,114,056
Hospitality	826,119	863,140	386,421
Investment	420,596	329,264	187,349
Eliminations	(52,168)	(52,348)	(25,201)
Consolidated	9,599,096	4,456,888	1,884,283

Segment results:

	FY2014	**FY2015**	**1H2016**
	HK$'000	*HK$'000*	*HK$'000*
Property	2,486,554	382,764	54,893
Transportation	236,263	356,497	213,146
Hospitality	91,893	94,723	43,728
Investment	379,102	278,416	166,649
Consolidated	3,193,812	1,112,400	478,416

Segment assets:

As at	**31 December 2014**	**31 December 2015**	**30 June 2016**
	HK$'000	*HK$'000*	*HK$'000*
Property	23,523,399	24,793,283	23,315,907
Transportation	3,668,478	4,089,082	4,310,492
Hospitality	1,425,358	1,489,375	1,731,671
Investment	1,049,256	1,002,264	1,002,311
Eliminations	(21,845)	(45,966)	(41,189)
Consolidated	29,644,646	31,328,038	30,319,192

The segment results of the property segment accounted for approximately 11.5%, 34.4% and 77.9% of the consolidated results of the Group for 1H2016, FY2015 and FY2014 respectively. As mentioned in the Annual Report 2015, the decrease in revenue and segment results of the property segment was mainly attributable to the reduced property sales recognised in FY2015 for Chatham Gate and Nova City Phase 4. As further mentioned in the Interim Report 2016, the combined impacts of a time lag in revenue recognition from property sales and a revaluation on investment properties contributed to a weakened profit of the property segment. Notwithstanding the above, the property segment has remained the key operating segment of the Group and the assets attributable to the property segment has consistently been accounting for almost 80% of the Group's consolidated segment assets as shown in the above table.

The Group's property segment has historically been focused on Hong Kong, Macau and the Mainland China markets. Nevertheless, as disclosed in the Interim Report 2016, the Group received the acceptance letter in May 2016 on the tender submitted for the acquisition of a 25,741 square feet freehold site located at No. 9 Cuscaden Road, which stands at the heart of downtown business district and tourism cluster in Singapore, and the Group has been planning to develop a hotel on the site. As a result, the property development projects (including completed projects for sale, projects under development and projects under planning) of the Group have been extended to cover Singapore as well.

In view of the abovementioned, we are of the view that the Acquisition, thereby the acquisition of the interests in the Property (which is located in Singapore), is in line with the business development of the Group.

3. **Information on the Target Company and the Property**

The Target Company is a company incorporated in Singapore with limited liability and its principal asset is the Property. The Target Company owns the Property through its indirect wholly-owned subsidiary, Perennial (Somerset) Pte. Ltd..

The Property, namely TripleOne Somerset, is a 17-storey commercial landmark development situated at 111 Somerset Road, Singapore with a gross floor area of approximately 766,550 square feet. The Property currently comprises 15 storeys of premium office units on two towers, 2 levels of retail podium and 2 levels of basement car park.

In order to enhance the quality and value of the Property, an asset enhancement initiative programme (the "**AEI**") was planned and has been undertaken on the Property since the second half of 2016. As we understand from the Management, the AEI encompasses additions and alteration works to the building erected on the Property, including, among other things, conversion of certain office spaces into medical units, revamping of office lobbies, setting up new concierge office, and building of sheltered drop off point and sheltered connectivity to the nearby subway station. Upon completion of the AEI, the gross floor area of the Property will remain unchanged and the total net strata area of the Property will be approximately 576,000 square feet, comprising office units, medical suites and retail components. As advised by the Management, certain office units had already been sold by the Target Company to other third parties as at the Latest Practicable Date and the net strata area of the

Property in which the Target Company has interest is expected to be approximately 572,000 square feet (subject to the adjustment arising from any further sale of any parts of the Property by the Target Company) upon completion of the AEI, which is also the size of the Property attributable to the Target Company under the Share Vendor SPA.

The Management has also advised that the AEI is expected to be completed by end of 2018 or early 2019. Presently, the retail section of the Property has been closed for the AEI works, while majority of the office units have remained leased out. As of December 2016, the occupancy rate for the office section of the Property was approximately 75% and the average monthly gross rent amounted to approximately S$2.8 million (equivalent to approximately HK$15.3 million) for 2016. The Management expects that both the occupancy rate and rent of the Property would improve after completion of the AEI.

We further understand from the Management that the Target Group has been financing the AEI through the Senior Loan Facilities. While the Target Group would continue to draw down loans from the Senior Loan Facilities to complete the AEI, the expected amount to be drawn for the AEI subsequent to Completion (the "**Additional AEI Loan**", collectively with the prior loans drawn from the Senior Loan Facilities for the AEI, the "**Total AEI Loan Amount**") is added to the total liabilities of the Target Group and will be accounted for in the Completion NAV Amount for calculating the Share Vendor Consideration. Further details on the basis of the Share Vendor Consideration are to be discussed in the section headed "Evaluation of the Share Vendor Consideration" below. The Share Vendor has also warranted to the Group under the Share Vendor SPA that, so far as it was aware as at the date of the Share Vendor SPA, the Total AEI Loan Amount is reasonably sufficient to fund the total costs budgeted for the AEI. To this end, we consider that the cost and liabilities to be arisen from the AEI subsequent to Completion has been factored in the Share Vendor Consideration and that it is unlikely for the Group to bear any material additional cost and liabilities in respect of the AEI subsequent to Completion in the absence of unforeseeable circumstances.

As mentioned in the Board Letter and advised by the Management, upon Completion, in order to reflect and rectify the change of the shareholders of the Target Company, the Target Company will enter into a supplemental asset management agreement and a supplemental property and project management agreement and other related agreements with the current management company of the Property for continuance of the provision of asset, property and project management services in respect of the Property.

Set out below is a summary of the consolidated financial information of the Target Company for (a) the period from its date of incorporation (i.e. 25 September 2013) to 31 December 2014; (b) the year ended 31 December 2015; and (c) the eleven months ended 30 November 2016, respectively, as disclosed in the Board Letter:

	For the period from the date of incorporation of the Target Company to 31 December 2014	For the year ended 31 December 2015	For the eleven months ended 30 November 2016
	(audited)	*(audited)*	*(unaudited)*
	S$'000	*S$'000*	*S$'000*
Net profit/(losses) before taxation	4,322	(935)	3,799
Net profit after taxation	3,929	239	2,884

	As at 31 December 2014	As at 31 December 2015	As at 30 November 2016
	(audited)	*(audited)*	*(unaudited)*
	S$'000	*S$'000*	*S$'000*
Net asset value *(Note)*	4,273	4,512	7,395

Note: According to the Board Letter, the net asset value of the Target Group is the value of its total assets net of its total liabilities. For accounting purposes, the Target Preference Shares and the Target Junior Bonds are treated as liabilities of the Target Group.

We have discussed with the Management and understand that the major source of income of the Target Group has been the rental income generated from leasing of the Property, while the major expenses incurred by the Target Group have been the direct operating expenses arising from rental of the Property and the management fees and finance costs on the Target Junior Bonds and bank loans. It is noted that the Target Group has been recording positive after-tax profit since its incorporation. However, compared to the other periods, the profitability of the Target Group is noted to be relatively lower for the year ended 31 December 2015 at approximately S$239,000 (equivalent to approximately HK$1,308,000). As advised by the Management, the drop in the profitability in the year ended 31 December 2015 was primarily attributable to, among other things, the increase in interest expenses on the bank loans mainly due to the higher interest rate during the year. The Target Group resumed its profit-making position for the eleven months ended 30 November 2016 and recorded unaudited net profit after taxation of approximately S$2,884,000 (equivalent to approximately HK$15,783,000), which was mainly due to the profit recognised for the units sold during the period.

The primary asset of the Target Group was the Property whereas its liabilities comprise principally the loans and borrowings, being the Target Junior Bonds, the Target Preference Shares and other bank loans. The net asset value of the Target Group has remained stable at around S$4 million (equivalent to approximately HK$21.9 million) as at 31 December 2014 and 31 December 2015. The net asset value of the Target Group increased to approximately S$7,395,000 (equivalent to approximately HK$40,471,000) as at 30 November 2016, which was mainly due to the profit recognised during the period.

Based on the valuation (the "**Valuation**") as at 3 February 2017 conducted by Savills Valuation And Professional Services (S) Pte Ltd (i.e. the Property Valuer), the independent property valuer appointed by the Company, the interests of the Property attributable to the Target Company (with reference to the net strata area of approximately 572,000 square feet as mentioned above) is valued at S$1,197,000,000 on an as-is condition (the "**As-Is Value**") and S$1,505,000,000 (the "**Gross Development Value**"), assuming satisfactory completion of the addition and alteration works under the AEI. Further details of the Valuation will be discussed below.

4. **Overview of the office and retail property market in Singapore**

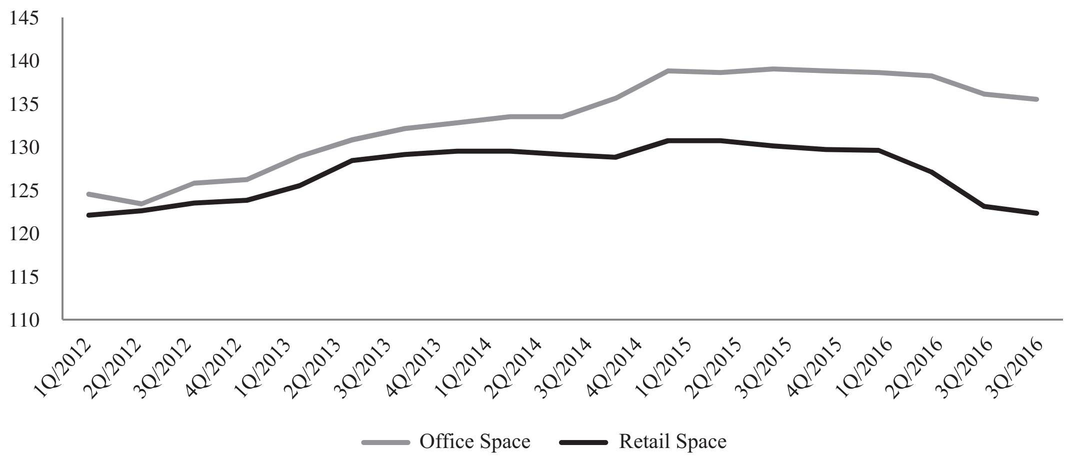
The Property is located in the Central Region in Singapore and comprises mostly office components and certain retail spaces. Accordingly, we have studied the overall economic environment in the country and also delved into the recent office and retail properties price trend specifically in the Central Region.

The macro economic environment in Singapore has in general remained robust with continued growth for the past five years. Based on the information provided by the Ministry of Trade and Industry (the "**MTI**"), the country's real gross domestic products (the "**GDP**") amounted to approximately S$354.9 billion in 2012 and have grown at a compounded annual growth rate of approximately 2.47% to approximately S$391.3 billion in 2015. The GDP has grown to approximately S$402.2 billion at an annual growth rate of approximately 2.0% in 2016.

Analogous to the growth trend in the overall economy, the office property sector in Singapore has witnessed a moderate upward momentum. According to the latest available statistics released by the Urban Redevelopment Authority of Singapore (the "**URA**"), office price in the Central Region has risen by approximately 8.84% from the beginning of 2012 to the third quarter of 2016. While a mild drop in the office price index is noted in early 2016, the price index has been stable for the rest of the year. On the other hand, the price index on retail properties in the Central Region has experienced more notable fluctuations during the last five years. Nevertheless, the decline has been waning in 2016 with the price index having been stable for both the second and third quarters of 2016, similar to that in the office price index.

Set out below is the chart illustrating the respective trends of the price indices of office and retail properties in the Central Region in Singapore since the first quarter in 2012 up to the third quarter of 2016 in accordance with the latest available statistics published by the URA:

Price Indices of Office and Retail Properties in the Central Region in Singapore



Source: the URA

5. **Reasons for and benefits of the Acquisition**

As set out in the Board Letter, the Property represents an excellent opportunity for the Company to invest in a high-quality en-bloc commercial property in close proximity to Orchard Road, Singapore's prime retail, business and medical hub. It enjoys direct access to the Mass Rapid Transit, and is connected to the rest of city by a convenient highway network. The Property is currently undergoing the AEI as discussed above and holds positive potential for enhanced returns.

The office section of the Property was currently leased out for rental income with an occupancy rate of approximately 75% as of December 2016. We have discussed with the Management and understand that the Group intends to hold the Property as properties for sale and dispose of it on a strata title basis to enjoy any possible positive gain on disposal, subject to the prevailing market condition. Meanwhile, the Group could benefit from the recurrent rental income from leasing out the Property. In view of the location and quality of the Property and the potential enhanced returns upon completion of the AEI, coupled with the generally stable economic environment in Singapore and its property sector as discussed above, we concur with the view of the Management that it is commercially reasonable for the Group to expand its presence in the country and acquire interests in the Property for potential value appreciation while benefiting from the recurrent rental income stream.

6. **Principal terms of the Share Vendor SPA**

Set out below are the principal terms of the Share Vendor SPA:

6.1 *Subject matter*

Subject to the terms and conditions of the Share Vendor SPA, the Share Vendor conditionally agreed to sell, and Simply Swift conditionally agreed to purchase, the Share Vendor Sale Shares (representing 9% of the total issued Target Ordinary Shares and 9% of the total issued Target Preference Shares) and the Share Vendor Sale Bonds (representing 9% of the total issued Target Junior Bonds).

6.2 *Conditions precedent to the Share Vendor SPA*

Completion of the Share Vendor SPA is conditional on the fulfilment (or, if applicable, the waiver) of the following Conditions:

(a) Simply Swift or the Company having obtained such consents or approvals as may be required by any Governmental Authority in Hong Kong to complete the transactions contemplated in the Share Vendor SPA (other than the Specific Mandate for the Share Vendor SPA);

(b) all necessary consents or waivers from the relevant banks which have provided banking facilities to the Target Group which are required for the execution, performance and/or completion of the Share Vendor SPA having been obtained on terms and conditions reasonably satisfactory to Simply Swift and not having been revoked or amended prior to Completion;

(c) the lenders to the Senior Loan Facilities having discharged or released the Share Vendor and its affiliates from their undertakings given in relation to the Senior Loan Facilities on reasonably satisfactory terms and conditions;

(d) in respect of the Target Junior Bonds which are currently held by a trustee on behalf of the holders, such trustee having executed supplemental agreements to the relevant trust deed in relation to the Target Junior Bonds, subject to Completion taking place;

(e) the warranties given by the Share Vendor remaining true and accurate and not misleading in any material respect if they were repeated at Completion by reference to the facts and circumstances then existing; and

(f) the auditor of the Target Company having completed the audit of and issued an unqualified opinion on the financial statements of the Target Group for the financial year ended 31 December 2016.

Simply Swift may at its discretion waive any of the Conditions set out in paragraphs (e) and (f) above. The Conditions set out in paragraphs (b) to (d) above may be waived with written consent of all parties to the Share Vendor SPA. The Condition set out in paragraph (a) above are not waivable by the parties to the Share Vendor SPA.

6.3 *The Share Vendor Consideration and the Post-Completion Accounts Adjustment*

The Share Vendor Consideration for the Share Vendor SPA shall be in the base amount of S$45,000,567 (equivalent to approximately HK$246.3 million) (i.e. the Share Vendor Base Consideration), comprising S$24,390,567 (equivalent to approximately HK$133.5 million) for the sale of the Share Vendor Sale Shares and S$20,610,000 (equivalent to approximately HK$112.8 million) for the sale of the Share Vendor Sale Bonds, subject to the Post-Completion Accounts Adjustment. The Share Vendor Consideration shall be satisfied within five Business Days after the Share Vendor Settlement Date by:

(a) if the grant of the Specific Mandate is approved by the Independent Shareholders at the General Meeting, the issuance and allotment by the Company to the Share Vendor (or its nominee) of such number of Consideration Shares as calculated by the Share Vendor Consideration (after the Post-Completion Accounts Adjustment) (based on the exchange rate of S$1 to HK$5.47275) divided by the Issue Price (rounded down to the nearest whole number); or

(b) if the grant of the Specific Mandate is not approved by the Independent Shareholders at the General Meeting, cash payment in such amount equivalent to the Share Vendor Consideration (after the Post-Completion Accounts Adjustment) by Simply Swift to the Share Vendor.

Pursuant to the Share Vendor SPA, as soon as practicable after Completion, an internationally recognised accounting firm shall be appointed to perform an audit on the consolidated balance sheet of the Target Group as at Completion (i.e. the Completion Accounts) for the purpose of the determination of the Share Vendor's pro-rata share of the net asset value of the Target Group as at Completion (i.e. the Completion NAV Amount), which shall take into account, among others, the value of the Property with reference to its expected total net strata area attributable to the Target Company upon completion of the AEI, and other assets and liabilities of the Target Group as at Completion.

Pursuant to the Share Vendor SPA, the Share Vendor Base Consideration shall be subject to adjustment with reference to the Completion NAV Amount (i.e. the Post-Completion Accounts Adjustment) in the following manner, in the event that the Share Vendor's pro-rata share of the Completion NAV Amount is:

(a) more than the Share Vendor Base Consideration, an amount equal to such excess up to a maximum amount of S$500,000 (equivalent to approximately HK$2.7 million) shall be added to the Share Vendor Base Consideration for the determination of the Share Vendor Consideration;

(b) less than the Share Vendor Base Consideration, an amount equal to such shortfall shall be deducted from the Share Vendor Base Consideration for the determination of the Share Vendor Consideration; or

(c) equal to the Share Vendor Base Consideration, no adjustment is required and the Share Vendor Consideration shall be equal to the Share Vendor Base Consideration.

The Share Vendor Consideration, being the Share Vendor Base Consideration as adjusted by the Post-Completion Accounts Adjustment (if any), shall be settled within five Business Days after the Share Vendor Settlement Date, which is the latest of (i) the date following the General Meeting; (ii) the date on which the Completion Accounts is issued and the Completion NAV Amount is determined and agreed upon between Simply Swift and the Share Vendor in writing with reference to the Completion Accounts; and (iii) the date of completion of the Share Vendor SPA.

Pursuant to the Post-Completion Accounts Adjustment set out above, upward adjustment, if any, to the Share Vendor Base Consideration will be capped at S$500,000 (equivalent to approximately HK$2.7 million). Based on the maximum amount of the Share Vendor Consideration of S$45,500,567 (equivalent to approximately HK$249.0 million), the Company would be required, if the grant of the Specific Mandate is approved by the Independent Shareholders at the General Meeting, to allot and issue up to 92,227,121 Consideration Shares to the Share Vendor within five Business Days after the Share Vendor Settlement Date.

6.4 *Our views*

As disclosed in the Announcement and in the section headed "Background of the acquisition of the Target Company" above, Simply Swift has entered into the Cash Vendors SPA with the Cash Vendors on the same date as the date of the Share Vendor SPA in respect of the acquisition of 61% interest in the Target Ordinary Shares, Target Preference Shares and Target Junior Bond. As confirmed by the Management, other than their interests in the Target Group, the Cash Vendors are third parties independent of the Share Vendor. We noted that the Share Vendor Base Consideration and the Post-Completion Accounts Adjustment in respect of the Share Vendor Consideration are in proportion to the Cash Vendors Base Consideration and the corresponding post-completion accounts adjustment with respect to the respective share of interests in the Target Company sold by the Share Vendor and the Cash Vendors (i.e. 9% versus 61%). Save for the payment terms whereby the Share Vendor Consideration may be settled by the allotment and issuance of the Consideration Shares (or if not approved by the Independent Shareholders, by cash) and the Cash Vendors Consideration is to be settled by cash only, the principal terms of the Share Vendor SPA and the Cash Vendors SPA are substantially the same.

We have discussed with the Management the reasons for satisfying the Share Vendor Consideration by way of the allotment and issuance of the Consideration Shares. While the Group has sufficient internal resources to settle the Share Vendor Consideration by way of cash, the Management believes that by using equity to finance the Share Vendor Consideration, the Group will be able to retain more cash for its business development and operation needs which is beneficial to the Group. Agreeing the aforesaid settlement method, the Share Vendor demonstrates its confidence as the substantial shareholder of the Company in the business outlook of the Group.

The Management further advised that, the Issue Price has been arrived at upon arm's length negotiations between the Company and the Share Vendor and it is agreed that the Issue Price per Consideration Share shall be the prevailing market price of the Shares which was then fixed at the average of the closing price of the Shares as quoted on the Stock Exchange for the twenty consecutive trading days up to and including the Last Trading Day (the "**Last 20-day Average Price**") (which we consider fair and reasonable as to be discussed in the section headed "Evaluation of the Issue Price" below). We also noted that the issuance of the Consideration Shares would not have material impact to the shareholding structure of the Company (further details will be discussed in the section headed "Effects on the shareholding structure of the Company" below). Therefore, we concur with the Management's view that the issuance of the Consideration Shares would be a preferable means in satisfying the Share Vendor Consideration. The Group will satisfy the Share Vendor Consideration by its internal resources in the event that the Specific Mandate is not approved by the Independent Shareholders. In view of the abovementioned and that the Independent Shareholders are given the rights to vote for or against such arrangement, we consider that the way of satisfying the Share Vendor Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Having considered (a) the aforesaid reasons of satisfying the Share Vendor Consideration by way of the allotment and issuance of the Consideration Shares; (b) the principal terms (except for the payment terms) of the Share Vendor SPA and the Cash Vendors SPA are substantially the same; (c) the Share Vendor Consideration is in proportion to the Cash Vendors Consideration with respect to the respective share of interests in the Target Company sold by the Share Vendor and the Cash Vendors; (d) approval from the Independent Shareholders in respect of the grant of the Specific Mandate will be sought at the General Meeting; (e) the Share Vendor Consideration has been determined after taking into account, among other factors, the Valuation (further details will be discussed below); and (f) the Post-Completion Accounts Adjustment will be made based on the Completion Accounts audited by an internationally recognised accounting firm to be appointed, we concur with the Management that the terms of the Share Vendor SPA are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

7. **Evaluation of the Share Vendor Consideration**

7.1 *Basis of the Share Vendor Consideration*

As mentioned in the Board Letter, the Share Vendor Base Consideration of S$45,000,567 (equivalent to approximately HK$246.3 million) has been determined after arm's length negotiations among the parties to the Share Vendor SPA, taking into consideration of, among others, the following factors:

(a) the current and expected market value of the Property attributable to the Target Company upon completion of the AEI which is currently underway, as discounted after accounting for the as-is condition of the Property and any additional costs and liabilities to be incurred and the risks to be taken by Simply Swift as the purchaser;

(b) the total assets and liabilities of the Target Group other than the Property; and

(c) the equity interest in the Target Company represented by the Share Vendor Sale Shares.

We have discussed with the Management the parameters applied in arriving at the Share Vendor Base Consideration. We understand that the Share Vendor Base Consideration is essentially based on the pro-rata share (i.e. 9%) of approximately S$500 million, which is the sum of (a) the adjusted net asset value of the Target Group of approximately S$173.3 million (calculated based on the net asset value of approximately S$7.4 million as at 30 November 2016 as extracted from the then latest available management accounts of the Target Group at the time of entering into the Share Vendor SPA, adjusted by the difference between the book value of the Property as at 30 November 2016 of approximately S$989.5 million and the price of the interests in the Property attributable to the Target Company upon completion of the AEI of approximately S$1,257.7 million as agreed under the Share Vendor SPA, net of the Additional AEI Loan of approximately S$102.3 million to be drawn down after Completion to fund the AEI; and (b) the carrying amount of the Target Preference Shares and the Target Junior Bonds, together with the interest accrued on the Target Junior Bonds remaining unpaid up to Completion (which, in aggregate, amounted to approximately S$326.4 million as at 30 November 2016).

We noted that the agreed price of the interests in the Property attributable to the Target Company upon completion of the AEI of approximately S$1,257.7 million is at a discount of approximately 16.43% to the Gross Development Value of S$1,505 million (being the Valuation assuming satisfactory completion of the addition and alteration works under the AEI). The Management considers that it is common and reasonable (i) to have a discount to valuation in determining the consideration for an acquisition having considered the as-is condition; and (ii) to make necessary adjustment with respect to any additional cost and liabilities to be incurred (i.e. the Additional AEI Loan to be drawn down for completing the AEI in this case) and the risk to be taken by the purchaser. The Management further advised that the Additional AEI Loan has been determined with reference to the expected additional cost to be incurred for completing the AEI. Accordingly, the net price of the interests in the Property attributable to the Target Company, being the agreed price of approximately S$1,257.7 million net of the Additional AEI Loan of approximately S$102.3 million, shall be approximately S$1,155.4 million. We noted that such net price is at a discount of approximately 3.48% to the As-Is Value of S$1,197.0 million.

In view of the aforesaid comparison with the Valuation (we will further discuss in the sub-section headed "Valuation" below that we consider the Valuation is fair and reasonable), we are of the view that the agreed price of the Property interest applied in calculating the Share Vendor Base Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Given that the Share Vendor Base Consideration has been based on the then latest available net asset value of the Target Group with adjustments as mentioned above, and the dollar-for-dollar amount with respect to the carrying amount of the Target Junior Bonds (together with its accrued and unpaid interest) and the Target Preference Shares, we are of the view that the Share Vendor Base Consideration is fair and reasonable.

Further, the financial position of the Target Group as at 30 November 2016 may differ from that as at Completion and audit adjustments may also be made to the management accounts of the Target Group in arriving at the Completion NAV Amount. Accordingly, we consider that it is reasonable for the Share Vendor Base Consideration to be adjusted by the Post-Completion Accounts Adjustment, subject to a cap of S$500,000 (equivalent to approximately HK$2.7 million), which essentially takes into account the changes in the financial position of the Target Group between 30 November 2016 and Completion. The Management expects that there will not be any material difference in the financial position of the Target Group between 30 November 2016 and Completion.

We also noted that the Cash Vendors Base Consideration has been arrived at on the same basis as the Share Vendor Base Consideration and it will be subject to the same post-completion accounts adjustment.

7.2 *Valuation*

In order to assess the market value of the Property, the Company has appointed the Property Valuer to value the Property, and the details of the Valuation have been set out in the Property Valuation Report in Appendix I to the Circular.

As the Property is currently undergoing the AEI and strata subdivision approval has been granted by the Governmental Authority in respect of the Property (whereby the whole title of the Property has been strata subdivided to facilitate individual unit sale), the Company has specifically instructed the Property Valuer to assess (a) the As-Is Value (i.e. value as it is in the current condition); and (b) the Gross Development Value assuming satisfactory completion of the addition and alteration works under the AEI, of the Property interests attributable to the Target Company on a strata subdivision basis. Based on the Property Valuation Report, the As-Is Value was S$1,197,000,000 and the Gross Development Value was S$1,505,000,000 as at 3 February 2017.

In assessing the fairness and reasonableness of the Valuation and therefore, the Share Vendor Consideration, we have reviewed the Property Valuation Report and discussed with the Property Valuer in respect of the methodology of, and the underlying assumptions and basis adopted for, the Valuation. The Property Valuer has adopted the direct comparison method to determine the Gross Development Value and the residual value method to determine the As-Is Value. We understand from our discussions with the Property Valuer that, (a) the direct comparison method is a conventional valuation method and is the most commonly used method in Singapore for similar strata-titled properties, which involves the comparison with recent sale transactions of similar/comparable properties in the subject or comparable localities and adjusted with the differences in location/catchment, size, tenure, age/condition, design/facilities provided, date of sale, etc. in arriving at the market value of the Property assuming completion of the AEI works (i.e. the Gross Development Value); and (b) after arriving at the Gross Development Value, the unexpended portion of the development costs for the addition and alteration works under the AEI (including the estimated interest thereon) and a profit margin on completion of the addition and alteration works estimated based on the market requirements for a reasonable return for profit for risk taking of other similar projects have been adjusted from the Gross Development Value in order to arrive at a residual value representing the market value of the Property in its current condition (i.e. the As-Is Value).

In addition to the aforesaid assumption on satisfactory completion of the addition and alteration works under the AEI applied specifically for assessing the Gross Development Value, the Valuation was conducted based on a number of other assumptions including, among others, the Property interests are sold in the genuine market without any special arrangement such as deferred term contract, leaseback, joint venture, management agreement or any other similar arrangement which might serve to affect the values of the Property interests, the title of the Property is good and marketable and free from all encumbrances, restrictions and other legal impediments, and easements and encumbrances, if any, do not adversely affect the value of the Property. We understand from our discussions with the Property Valuer that these are common assumptions adopted for valuing commercial properties in

Singapore and except the assumption of satisfactory completion of the addition and alteration works under the AEI, none of these assumptions are specifically made for the purpose of the Valuation. The Property Valuer has also confirmed that all the underlying assumptions of the Valuation are reasonable and are appropriate under the relevant valuation standards.

We also noted that the Property Valuation Report has adopted the use of a term "strata floor area". We have discussed with and understood from the Property Valuer that it is the measurement parameter on floor area consisting of both lettable floor area and certain circulation areas of a property and is commonly applied for valuing strata-subdivided commercial properties in Singapore. Having considered the explanation given by the Property Valuer, we are of the view that the use of strata floor area in the Valuation is reasonable and is in line with the common market practice.

The Property Valuer has conducted necessary due diligence work, including but not limited to, site inspections, title search in respect of the Property, and comparable analysis based on the available market data of similar types of transactions of commercial properties in Singapore. We noted the Property Valuation Report has mentioned that it was prepared in accordance with the standards and guidelines of The Singapore Institute of Surveyors And Valuers' (SISV) and the Royal Institution of Chartered Surveyors (RICS), which is consistent with the guidelines of The Hong Kong Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors, and has taken into consideration the requirements under Chapter 5 of the Listing Rules.

Taking into account the above, we are of the view that the Property Valuation Report has been prepared in line with the standard valuation procedures and common market practices and appropriate regulatory guidance and the valuation methods adopted are commonly used for valuing assets similar to the Property and the underlying assumptions and basis used in the Property Valuation Report are reasonable.

For the purpose of assessing the suitability of the Property Valuer to conduct the Valuation, we have interviewed the Property Valuer and reviewed its engagement letter and other relevant information such as the qualifications and experience of its staff engaging in the preparation of the Property Valuation Report as well as its credentials. Based on our review of the relevant information and understanding from the Property Valuer, we are satisfied with the terms of the engagement of the Property Valuer with the Company and its qualifications and experience for preparation of the Property Valuation Report. The Property Valuer has confirmed to us that it is independent of, and not connected with, the Company, the Share Vendor, the Cash Vendors and their respective associates.

8. **Evaluation of the Issue Price**

As illustrated in the section headed "Principal terms of the Share Vendor SPA" above, the Issue Price has been agreed to be at the prevailing market price of the Shares which was fixed at the Last 20-day Average Price. We consider that it is common and fair and reasonable to take an average of the daily closing prices of the Shares for a specified period of time instead of a closing price of the Shares on a particular date in determining the prevailing market price in order to even out the fluctuation in the prices of the Shares. We noted that, during the last twenty consecutive trading days up to and including the Last Trading Day, the closing prices of the Shares ranged between HK$2.65 and HK$2.77. In view that the fluctuation in the closing prices of the Shares has been mild, we consider that the Last 20-day Average Price is fair and reasonable to represent the prevailing market price of the Shares.

To further assess the fairness and reasonableness of the Issue Price, we have referred to the Board Letter and noted that the Issue Price of HK$2.70 per Consideration Share represents:

(a) a discount of approximately 1.46% to the closing price of the Shares of HK$2.74 per Share as quoted on the Stock Exchange on the Last Trading Day;

(b) a discount of approximately 1.82% to the average of the closing price of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day of approximately HK$2.75 per Share;

(c) a discount of approximately 0.74% to the average of the closing price of the Shares as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day of approximately HK$2.72 per Share;

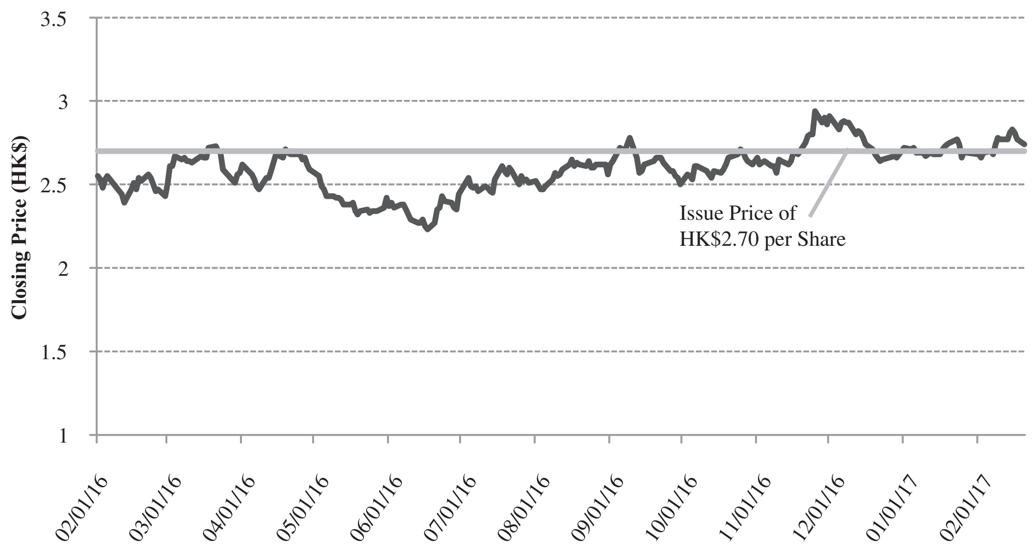
(d) a discount of approximately 0.74% to the average of the closing price of the Shares as quoted on the Stock Exchange for the thirty consecutive trading days up to and including the Last Trading Day of approximately HK$2.72 per Share;

(e) a discount of approximately 1.46% to the closing price of the Shares of HK$2.74 per Share as quoted on the Stock Exchange as at the Latest Practicable Date; and

(f) a discount of approximately 73.86% to the unaudited consolidated net asset value of the Company per Share in issue of approximately HK$10.33 (the "**Group NAV per Share**") as at 30 June 2016.

As shown in the comparison above, the Issue Price represents only a slight discount of less than 2% to the recent trading prices of the Shares. We have also studied the Share price movement for a longer period covering the 12-month period up to and including the Latest Practicable Date (the "**Review Period**"):

Historical daily closing prices of the Shares during the Review Period



As shown in the chart above, during the Review Period, the daily closing prices of the Shares ranged between HK$2.23 and HK$2.94 and the average daily closing price of the Shares was approximately HK$2.59. The Issue Price is close to the high end of the range of the daily closing prices of the Shares during the Review Period and represents a premium of approximately 4.25% over the average of the daily closing prices of the Shares during the Review Period. It is further noted that the Issue Price is at a premium to the historical closing price for more than 80% of the trading days during the Review Period.

We also noted that the Issue Price represents a discount of approximately 73.86% to the Group NAV per Share as at 30 June 2016. However, the Shares had been trading consistently and substantially below the Group NAV per Share during the Review Period and the average of the daily closing prices of the Shares during the Review Period represents a discount of approximately 74.93% to the Group NAV per Share.

Having considered that (a) the aforesaid rationale in justifying the prevailing market price with reference to the Last 20-day Average Price; (b) the Issue Price is only at a slight discount to the recent Share prices; (c) the Issue Price is close to the high end of the range and above the average of the closing prices of the Shares during the Review Period; and (d) the Shares have consistently been trading at a significant discount to the Group NAV per Share and the discount to the Group NAV per Share represented by the Issue Price is less than that represented by the average closing price of the Shares during the Review Period, we are of the view that, on balance, the Issue Price is fair and reasonable so far as the Company and the Independent Shareholders are concerned.

9. Financial effects of the Acquisition on the Group

As discussed in the section headed "Background of the acquisition of the Target Company" above, upon completion of both the Cash Vendors SPA and the Share Vendor SPA, the Target Company will become an indirect subsidiary owned as to 70% by the Company, and the financial results of the Target Group will be consolidated into the Group. We have further discussed with the Management the financial effects of the Acquisition on the Group as summarised below:

9.1 *Equity attributable to owners of the Company*

Pursuant to the Share Vendor SPA, the maximum Share Vendor Consideration amounts to S$45,500,567 (equivalent to approximately HK$249.0 million). Should the grant of the Specific Mandate be approved, such Share Vendor Consideration would be settled by way of allotment and issuance of the Consideration Shares and it is expected that the equity attributable to owners of the Company would increase by the amount representing the then market value of the Consideration Shares at Completion. On the other hand, should the grant of the Specific Mandate not be approved, the Share Vendor Consideration would have to be settled by internal resources of the Group and the equity attributable to owners of the Company would not be materially affected given that the cash payment for the Share Vendor Consideration is essentially based on the Completion NAV Amount and it is also with reference to the Valuation. Hence, it is also expected that the cash payment for the Cash Vendors Consideration would not bring any material effect on the equity attributable to owners of the Company.

9.2 *Liquidity and working capital*

With reference to the latest available management accounts of the Target Group as at 30 November 2016, the outstanding loans and borrowings, comprising the bank loans drawn under the Senior Loan Facilities but excluding the Target Junior Bonds and the Target Preference Shares (as the Group would have acquired 70% of both of which upon Completion and completion of the Cash Vendors SPA) totalled approximately S$681.7 million (equivalent to approximately HK$3,730.8 million), whereas the cash and cash equivalent balance amounted to approximately S$32.9 million (equivalent to approximately HK$180.1 million). Further, as advised by the Management, the Additional AEI Loan is expected to amount to approximately S$102.3 million (equivalent to approximately HK$559.9 million).

As disclosed in the Interim Report 2016, as at 30 June 2016, the Group had cash and bank balances of approximately HK$14,530.6 million, while the Group had outstanding borrowings comprising bank borrowings of approximately HK$8,144.6 million and medium term notes of approximately HK$3,145.2 million. As such, the Group had a net cash balance of approximately HK$3,240.8 million (i.e. total cash balance in surplus of total borrowings) as at 30 June 2016. Should the grant of the Specific Mandate be approved, the Group would only incur cash payment for the Cash Vendors Consideration in the maximum amount of S$308,003,845 (equivalent to approximately HK$1,685.6 million). Upon consolidation of the aforesaid loans and borrowings and cash balances of the Target Group and taking into account the cash payment for the Cash Vendors Consideration, it is expected that the Group would incur net debt of approximately HK$2,555.4 million. Taking account of (i) the equity attributable to owners of the Company of approximately HK$26,245.2 million as at 30 June 2016; and (ii) the issue of the Consideration Shares in the maximum value of HK$249.0 million upon Completion, the overall gearing of the Group (calculated by dividing net debt by total equity attributable to owners of the Company) would become around 10%. We consider that it is common for companies to use mortgage loan to finance property projects. Having considered the substantial net asset base of the Group, and the expected continuing cash inflow from the leasing of the Property, we concur with the view of the Management that the level of gearing ratio of around 10% would not result in any material impact on the Group's overall liquidity position.

Should the Share Vendor Consideration be settled by cash out of the internal resources of the Group, the cash payment of a maximum of S$45,500,567 (equivalent to approximately HK$249.0 million) would result in a further increase in the net debt position of the Group. In the absence of issuance of Consideration Shares, the equity attributable to owners of the Company would remain unchanged. To this end, the gearing ratio of the Group would become approximately 11%.

9.3 *Earnings*

The Management has advised that the current intention of the Group is to hold the Property as properties for sale and will dispose of it if there could be gain on value appreciation subject to market conditions, meanwhile will continue to lease it out for rental income. Having considered the occupancy rate of the office section of the Property of approximately 75% as of December 2016 and the AEI which is currently in progress, it is expected that the quality of the Property upon completion of the AEI could be enhanced and thereby its rental price and value, and the Group could realise gain on value appreciation upon disposal of the Property, and could continue to receive recurrent rental income stream from leasing out the Property, both of which are expected to contribute to the total earnings of the Group.

The abovementioned analyses are for illustrative purpose only and do not purport to represent how the financial position of the Group would be after the entering into of the Share Vendor SPA or Completion.

10. **Effects on the shareholding structure of the Company**

As illustrated in the Board Letter, assuming that Simply Swift will pay the maximum amount of the Share Vendor Consideration of S$45,500,567 (equivalent to approximately HK$249.0 million) pursuant to the Share Vendor SPA and the grant of the Specific Mandate is approved, a total of 92,227,121 Consideration Shares will be allotted and issued to the Share Vendor (or its nominee), representing approximately 2.94% of the enlarged issued Shares immediately after the issue of all such Consideration Shares.

Set out below is the shareholding structure of the Company as at the Latest Practicable Date and immediately after the issue of the maximum amount of Consideration Shares (assuming that there is no other change to the shareholding structure of the Company):

	Issued Shares as at the Latest Practicable Date		**Issued Shares immediately after issue of the maximum amount of Consideration Shares**	
	no. of Shares	*%*	*no. of Shares*	*%*
Dr. Stanley Ho	1,798,559	0.06%	1,798,559	0.06%
Ms. Pansy Ho	525,664,564	17.28%	525,664,564	16.77%
Share Vendor or its nominees	—	—	92,227,121	2.94%
Ms. Daisy Ho	220,639,816	7.25%	220,639,816	7.04%
Ms. Maisy Ho	70,618,215	2.32%	70,618,215	2.25%
Renita Investments Limited and its subsidiary	500,658,864	16.46%	500,658,864	15.97%
Shun Tak Shipping Company, Limited and its subsidiaries	373,578,668	12.28%	373,578,668	11.92%
Megaprosper Investments Limited	65,040,000	2.14%	65,040,000	2.07%
Others	1,284,467,099	42.21%	1,284,467,099	40.98%
Total	**3,042,465,785**	**100%**	**3,134,692,906**	**100%**

Upon the allotment and issue of the maximum amount of Consideration Shares, the non-public shareholding (being shareholding held by Dr. Stanley Ho, his family members and their respective associates) will be increased from approximately 57.79% to approximately 59.02%. With reference to the above shareholding table, the shareholding of the Independent Shareholders will be diluted by approximately 1.23%. We are of the view that such dilution is not material and no material change will be resulted in the shareholding structure of the Company as a result of the issue of the Consideration Shares.

RECOMMENDATION

Having considered the abovementioned principal factors and reasons, we consider that while the issue of the Consideration Shares pursuant to the Specific Mandate is not in the ordinary and usual course of business of the Group, the terms of the Share Vendor SPA (including the payment terms, the grant of the Specific Mandate in respect of the Consideration Shares, and the different settlement methods for the Cash Vendors Consideration and the Share Vendor Consideration as set out under the Cash Vendors SPA and the Share Vendor SPA respectively) are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Independent Shareholders as a whole. We therefore advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the resolution to be proposed at the General Meeting to approve the grant of Specific Mandate.

Yours faithfully,
For and on behalf of
OPTIMA CAPITAL LIMITED
Ng Ka Po
Senior Director

Mr. Ng Ka Po is a responsible officer of Optima Capital Limited and a licensed person registered with the Securities & Futures Commission to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO. Mr. Ng has participated in the provision of independent financial advisory services for various transactions involving companies listed on the Stock Exchange.

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular and received from Savills Valuation And Professional Services (S) Pte Ltd, an independent professional property valuer, in connection with the valuation as at 3 February 2017 of the Property.

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

Savills Valuation And
Professional Services (S) Pte Ltd
Reg No.: 200402411G

30 Cecil Street
#20-03 Prudential Tower
Singapore 049712

T: (65) 6836 6888
F: (65) 6536 8611

savills.com

22 February 2017

Dear Sirs,

VALUATION OF 111 SOMERSET ROAD TRIPLEONE SOMERSET SINGAPORE 238164 (THE "PROPERTY")

In accordance with your instruction for us to value the Property located in Singapore, we confirm that we have carried out site inspection, made relevant enquiries and obtained such information as we consider necessary for providing you with our opinion of values of the Property interests as at 3 February 2017 (the "Valuation Date").

BASIS OF VALUATION

According to the Company's specific instruction, we have been instructed to assess the Property interest on the following bases:-

(1) As-is condition and on strata subdivision of the entire development for individual unit sale basis

(2) Gross Development Value assuming satisfactory completion of addition and alteration (A & A) works and strata subdivision

This valuation is determined on the basis that the property, the title thereto and its use is not affected by any matter other than that mentioned in this report.

Our valuation are our opinion of the Market Value of the Property which we would define as intended to mean "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".

Our valuation is prepared in accordance with standard and guidelines of The Singapore Institute of Surveyors and Valuers' (SISV), Royal Institution of Chartered Surveyors (RICS), which is consistent with the guidelines of The HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors. We have also taken into consideration the requirements under Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Main Board).

VALUATION METHODOLOGY

In our assessment, we have adopted the Direct Comparison Method by reference to sales evidence as available on the market and our knowledge of the prevailing market condition assuming that vacant possession of the Property interest would be readily available upon completion of a sale. We have also used the Residual Value Method to determine the As-Is Value of the subject property which is currently undergoing addition and alteration (A & A) works.

TITLE INVESTIGATION

We have conducted a brief title search from Integrated Land Information System made available on the Singapore Land Authority website. However, we have not sighted the original title documents to verify ownership. All documents have been used for reference only and all dimensions, measurements and areas are approximations.

We have also assumed that easements and encumbrances, if any, do not adversely affect the value of the subject property.

VALUATION ASSUMPTIONS

Our valuation is made on the assumption that the property interest is sold in the genuine market without any special arrangement such as deferred term contract, leaseback, joint venture, management agreement or any other similar arrangement which might serve to affect the values of the property interests. Other special assumptions, if any, have been stated in the notes of the valuation certificates.

We have assumed that the proposed A & A works will be satisfactorily completed by the scheduled completion date and separate legal titles for each strata lot will also be issued in due course to facilitate individual unit sales.

VALUATION CONSIDERATION

Having examined all relevant documentation, we have relied to a considerable extent on the information provided to us, and have accepted advice given to us on such matters as planning approvals or statutory notices, development parameters, easements, tenures, site areas, floor areas and other relevant matters, if any. All documents have been used for reference only. Except as otherwise stated, all dimensions, measurements and areas included in the valuation certificate is based on information contained in the documents provided to us and is therefore approximate. We have no reason to doubt the truth and accuracy of the information provided to us. We have assumed that all material facts from the information provided, is accurate and a frank disclosure and we have no reason to suspect that any material information has been withheld.

We have inspected the exterior and, as far as possible, the interior of the Property. No site investigation has been carried out to determine the suitability of the ground condition or the service for any property development thereon. Our valuations are carried out on the assumptions that these aspects are satisfactory. Our valuations are prepared based on the assumption that all consents, approvals and licences from the relevant government authorities for the proposed works have been satisfactorily granted.

We have not carried out on-site measurements to verify the correctness of the site area and we have assumed that the site area shown on the title search document is correct.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the property interests nor for any expenses or taxations which may be incurred in effecting a sale. Unless otherwise stated, we have assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

While we have exercised our professional judgement in arriving at our valuations, you are urged to consider our valuation assumptions with caution.

REMARKS

Unless otherwise stated, all money amounts stated herein are in Singapore Dollars (“S$”). The exchange rate adopted in this report is HK$1 to S$0.1814, which is prevailing as of the Valuation Date.

The report has been prepared by Ms Cynthia Ng and Ms Selina Chia, both with at least 25 years’ experience in valuation. Ms Cynthia Ng is a Fellow of both SISV and RICS. The site inspection of the Property was conducted on 28 December 2016 by Ms. Selina Chia, who is a member of SISV.

Our valuation is summarized and our Valuation Certificate is enclosed herewith.

Yours faithfully for and on behalf of
Savills Valuation And Professional Services (S) Pte Ltd

Cynthia Ng	**Selina Chia**
B.Sc (Estate Management)	**B.Sc (Estate Management)**
Licensed Appraiser No. AD041-2003388A	**Licensed Appraiser No. AD041-2005633K**
Fellow of SISV/RICS	**Member of SISV**
Managing Director	**Executive Director**

VALUATION CERTIFICATE

Property	Description and Tenure	Particulars of Occupancy	Market Value as at the Valuation Date
111 Somerset Road Tripleone Somerset Singapore 238164	Subject property is a 17-storey commercial building with 2 basement levels, erected on an almost parallelogram land plot, except for a recessed north-western corner. It is located on the southern side of Somerset Road, just at the doorstep of Somerset MRT Station, at the fringe of Orchard Road; the premier shopping and entertainment belt of Singapore. Many iconic and modern buildings are located along this popular shopping boulevard. It is also a few minutes' drive from the Central Business District and the prime financial hub of Raffles Place and the Marina Bay New Downtown. The building was formerly known as Public Utilities Board Building which is originally completed in 1977 and renovated around mid-2000s. The property has approval for strata subdivision on 21 June 2016 to facilitate the sale of individual units. The property is in average condition and is under major A & A works which commenced around July 2016. The works are scheduled to complete by February 2019. Grant of Written Permission was first issued on 2 October 2015 for the said works with some subsequent follow-up approvals for amendments plans. Upon completion of the works, there is no change to the Gross Floor Area of 71,214.29 sm and the property will comprise retail and food & beverage uses on 1st and 2nd storeys, a mixture of office and medical units on the 3rd and 4th storeys and offices from the 5th storey onward. This valuation is based on a total strata floor area of 53,112 sm from a total of 489 lots (excluding 4 sold strata office units of 360 sm).	As at the date of inspection, the works on the retail section was in full swing. The office section is currently multi-let. The occupancy rate (for the office section only) as at 15 December 2016 is approximately 75%. As advised by the Company, the property will be held for sale.	(A) As-Is Value **S$1,197,000,000** (equivalent to approximately HK$6,598,676,957) (B) Gross Development Value **S$1,505,000,000** (equivalent to approximately HK$8,296,582,139) *(see notes below)*

Notes:

1. We are instructed to value the property as follows:-

   (a) As-Is Condition and on strata subdivision of the entire development for individual unit sale basis

   (b) Gross Development Value assuming satisfactory completion of A&A works and strata subdivision

   This valuation is determined on the basis that the property, the title thereto and its use is not affected by any matter other than that mentioned in the report.

2. We have assumed that the proposed A&A works will be satisfactorily completed by the scheduled completion date and separate individual legal titles for each strata lot will also be issued in due course.

3. According to our title search, the registered owner is Perennial (Somerset) Pte Ltd. The property is mortgaged to Oversea-Chinese Banking Corporation Limited and DBS Trustee Limited. No other encumbrances or easements were found from our brief on-line title search on SLA website. We have assumed that easements and encumbrances if any do not adversely affect the value of the property.

4. Other salient details of the property are as follows:-

Site Area : 10,165.5 sm (109,420 sf)

Lease Term : Leasehold 99 years with effect from 19 February 1975 (balance of about 57 years to go as at the date of valuation

Legal Description : Lot Nos. 678N and 1421V, Town Subdivision 21

Master Plan Zoning :

Particulars	Description
Planning Authority	Urban Redevelopment Authority
Planning Instrument	Master Plan (2014)
Zoning	Commercial with plot ratio of 4.9+
Building Height	16-storey

Existing Tenancy Information : The average monthly gross rent is S$2,770,462 for 2016. The monthly service charge works out to about S$12.92 psm per month. The lease term range from 1 to 6 years, some with option to renew for another 3 years. The major tenants include Worley Parsons Pte Limited, Hitachi Capital Asia Pacific Pte Ltd and International Air Transport Association, amongst others.

Use (upon completion) : The proposed development will comprise various uses and breakdown in strata floor area by use is as follows:

Use	No. of Strata Lots	Strata Floor Area (sm)
Office	457	41,192
Retail	1	8,966
Medical	31	2,954
Total	489	53,112 (571,698 sf)

Sales Status :

Unit No.	Strata Area (sm)	Consideration	Date of Sale
#08-12	95	S$2,762,100	20 July 2016
#08-08	125	S$3,631,500	20 July 2016
#08-01	54	S$1,548,500	13 June 2016
#08-03	86	S$2,468,000	12 May 2016

A & A Works and Progress Status	:	The A & A works will be carried out in 3 phases. The total cost of works amount to approximately S$107,790,000 of which S$82,790,000 is the Contract Sum. Based on the Architect's Certification, we understand that the cost of works done as at November 2016 amounts to S$4,966,098.88. We were given to understand that another $211,176.90 of Variation Orders were completed as at November 2016.

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

		Number of Shares held				Approximate percentage of total issued Shares
Name of Director	**Nature of interests**	**Personal interests**	*Note*	**Corporate interests**	*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%
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	—		241,110,495	(iii)	7.92%
Ms. Daisy Ho	Interests in issued shares	86,136,345		134,503,471	(v)	7.25%
	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 241,110,495 unissued shares comprise of (a) 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 the maximum amount of consideration shares to be issued to Alpha Davis Investments Limited ("**Alpha Davis**") pursuant to the Sai Wu Agreement. Alpha Davis is owned as to 47% by Innowell Investments Limited ("**IIL**") and 53% by Megaprosper 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; and (b) 92,227,121 unissued shares, in which Ms. Pansy Ho was deemed to be interested by virtue of the SFO, being the maximum amount of Consideration Shares to be issued to the Share Vendor or its nominee pursuant to the Share Vendor SPA. The Share Vendor is wholly-owned by Ms. Pansy 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. Maisy Ho was deemed to be interested by virtue of the SFO, were held by LionKing Offshore Limited, which is wholly-owned by Ms. Maisy Ho.

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

Name of Director	Name of company	Corporate interests	Percentage of total issued shares
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

Name of Director	Name of company	Corporate interests	Percentage of total issued shares
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 or underlying Shares 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 were as follows:

Name of Shareholder	Note	Nature of interests	Capacity	Long position/ short position	Number of Shares/ underlying Shares held	Approximate percentage of total issued Shares *Note (i)*
Renita Investments Limited ("**Renita**") and its subsidiary	(ii)	Interests in issued shares	Beneficial owner and interests of controlled corporation	Long position	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%
	(v)	Interests in unissued shares	Beneficial owner	Long position	92,227,121	3.03%
Megaprosper Investments Limited ("**MIL**")	(vi)	Interests in issued shares	Interest of controlled corporation	Long position	65,040,000	2.14%
	(vii)	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. 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) These 92,227,121 unissued shares represented the maximum amount of Consideration Shares to be issued to the Share Vendor or its nominee pursuant to the Share Vendor SPA.

(vi) 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.

(vii) These 148,883,374 unissued shares represented the maximum amount of consideration shares to be issued to Alpha Davis pursuant to the Sai Wu Agreement. Alpha Davis 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 or underlying Shares 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.

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, Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho and Mr. David Shum have beneficial interests, on 15 December 2016, 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 2017 to 31 December 2019. The price of fuel was determined with reference to its market price plus a small handling charge. The Company has made an announcement on 15 December 2016 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 12 December 2016, 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 2017 to 31 December 2019 and is thereafter renewable for successive terms of 3 years by mutual agreement in writing.

(d) Pursuant to the ferry ticket sales framework agreement (the "**Ticketing Agreement**") entered into between Shun Tak-China Travel Ship Management Limited ("**STCTSML**"), an indirect non wholly-owned subsidiary of the Company, and MPEL Services Limited ("**MPEL**"), a wholly-owned subsidiary of Melco Crown Entertainment Limited ("**MCE**") and a company in which Dr. Stanley Ho, Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho have indirect beneficial interest by virtue of their family member or relative's interests in MCE, on 7 October 2016, STCTSML may, from time to time, sell to MCE and its subsidiaries (including MPEL) (the "**MCE Group**") the ferry tickets for ferry services operated by Shun Tak-China Travel Shipping Investments Limited and its subsidiaries (including STCTSML) at a discount on bulk purchase of ferry tickets by the MCE Group for its own account. The Ticketing Agreement is for a term from 7 October 2016 to 31 December 2018 and is thereafter renewable for successive terms of 3 years by mutual agreement in writing. An announcement was made by the Company on 7 October 2016.

(e) Pursuant to the sale and purchase agreement dated 11 November 2004 (and the supplemental agreements thereto) entered into by the Company, Shun Tak Nam Van Investment Limited ("**STNV**", an indirect wholly-owned subsidiary of the Company), Dr. Stanley Ho and Sai Wu Investment Limited ("**Sai Wu**", a company beneficially owned as to 60% by Dr. Stanley Ho and 40% by independent third parties) (the "**SPA**"), STNV 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 Alpha Davis, a company in which each of Dr. Stanley Ho, Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho has a beneficial interest. A refundable deposit of HK$500 million was paid by STNV to Sai Wu to extend the completion date of the acquisition without changing the consideration or its other terms of the acquisition. The long stop date of the SPA has been further extended by the Sai Wu Agreement.

(f) Pursuant to the sale and purchase agreement dated 17 January 2017 entered into by Nova Taipa — Urbanizações, Limitada, an indirect non wholly-owned subsidiary of the Company, and Ms. Ho, Deborah Chiu Hung ("**Ms. Deborah Ho**"), Ms. Deborah Ho agreed to acquire the interest in the property unit at Unit B, 23rd Floor, Tower 6, Nova Grand, Taipa, Macau. The consideration for the acquisition is HK$13,906,000 which will be satisfied in cash. The Company has made an announcement on 17 January 2017 in this respect.

(g) The Cash Vendor SPA, details of which have been set out in the Announcement.

(h) The Share Vendor SPA, details of which have been set out in the Announcement and this circular.

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 25 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 MOP39 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) on 4 July 2016, 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;

(iv) on 19 September 2016, the Group had entered into a renewal tenancy agreement, as tenant, with STC, as landlord, to renew the lease of a premise in Hong Kong for a period of 2 years from STC for a consideration of approximately HK$1 million for the lease period; and

(v) further to (i) above, the Group proposed to enter into another lease agreement, as tenant, with STDM Group, as landlord, to renew the lease of a premise in Macau for a proposed period of 3 years for a proposed consideration of approximately MOP6 million or turnover rent, whichever is higher, 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. 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 STDM, 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 STDM and Mr. David Shum is an appointed representative of the Company, a corporate director of STDM.

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.

7. MATERIAL ADVERSE CHANGE

Save for the profit warning announcements published by the Group on 22 July 2016 and 17 February 2017 respectively, 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.

8. 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:

Name	Qualification
Optima Capital	a licensed corporation under the SFO to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities
Savills Valuation And Professional Services (S) Pte Ltd	independent property valuer

As at the Latest Practicable Date, each of the experts named above 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, nor did it 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.

Each of the experts named above 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.

9. 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 certificates referred to in Appendix I to this circular;

(d) the written consent given by the Independent Financial Adviser and the Property Valuer;

(e) the agreements referred to in the sections headed "3. Directors' interests in contracts and arrangements" and "4. Directors' interests in assets and other interests" in Appendix II to this circular;

(f) the Share Vendor SPA; and

(g) this circular.

10. 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.

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 Friday, 10 March 2017 at 2:30 p.m. for the purpose of considering and, if thought fit, passing with or without modifications the following resolution as an ordinary resolution of the Company. Capitalised terms contained in the circular dated 22 February 2017 issued by the Company shall have the same meanings when used herein unless otherwise specified.

ORDINARY RESOLUTION

Resolution in relation to the grant of the Specific Mandate

"**THAT** conditional upon the Listing Committee granting the listing of, and the permission to deal in, the Consideration Shares:

(a) the grant of the Specific Mandate for the allotment and issue of the Consideration Shares in accordance with the terms of the Share Vendor SPA be and are hereby approved; and

(b) the Directors (or a committee duly authorised by the Board) be and are hereby authorised to do all such acts and things and to sign and execute all such documents, instruments and agreements for and on behalf of the Company as they may consider necessary, appropriate, desirable or expedient to give effect to or in connection with paragraph (a) of this resolution"

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

Hong Kong, 22 February 2017

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.

iii. The register of members of the Company will be closed from Wednesday, 8 March 2017 to Friday, 10 March 2017, 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 Tuesday, 7 March 2017.

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.