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信德集團



SHUN TAK HOLDINGS

SHUN TAK HOLDINGS LIMITED

信德集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 242)

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

ANNOUNCEMENT

DISCLOSEABLE TRANSACTIONS IN RELATION TO PROVISION OF (1) SHAREHOLDERS' LOANS AND (2) CORPORATE GUARANTEE TO AN ASSOCIATE

INTRODUCTION

Reference is made to the announcement of the Company dated 6 March 2020 in relation to, among others, the transforming of STCT into a 50:50 joint venture for the provision of cross boundary transportation services in the Greater Pearl River Delta Region.

PROVISION OF THE CORPORATE GUARANTEE

On 19 January 2021, the Facility Agreement was entered into between, amongst others, STCT (as borrower), China CITIC Bank (as lender) and the Company (as a guarantor), pursuant to which China CITIC Bank agreed to provide a revolving loan of HK\$400 million to STCT for a term of one year, at the interest rate of HIBOR plus a margin of 1.5% per annum. The Facility will be utilised for supplementing the general working capital of STCT and its subsidiaries. STCT also undertook under the Facility Agreement to ensure that each of the two shareholders of STCT (including the Company) shall (i) hold (directly or indirectly) 50% of the equity interests in STCT; and (ii) remain to be listed on the Main Board of the Stock Exchange.

On the same day, the Company entered into the Corporate Guarantee in favour of China CITIC Bank, pursuant to which the Company agreed to provide guarantee and indemnity, in proportion to its shareholding interests in STCT, for the due payment and discharge of liabilities of STCT under the Facility Agreement for up to 50% of the total principal amount of the Facility (i.e. HK\$200 million) plus interests and other costs.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Company has committed to provide shareholders' loans of not exceeding HK\$180 million to STCT in proportion to its 50% shareholding interests in STCT. As both the Commitment and the Corporate Guarantee are financial assistance provided and/or committed to be provided to STCT by the Company within a 12-month period, they are required to be aggregated pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 5% but are all less than 25%, the provision of the Commitment and the Corporate Guarantee together constitute discloseable transactions for the Company, and are therefore subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 6 March 2020 in relation to, among others, the transforming of STCT into a 50:50 joint venture for the provision of cross boundary transportation services in the Greater Pearl River Delta Region (the “**Transaction**”). As STCT is held as to 50% by the Company upon completion of the Transaction, STCT has ceased to be a subsidiary of the Company and is accounted for as an associate of the Company.

PROVISION OF THE CORPORATE GUARANTEE

On 19 January 2021, the Facility Agreement was entered into between STCT (as borrower), China CITIC Bank (as lender), and the Company and CTII (as guarantors on a several basis), pursuant to which China CITIC Bank agreed to provide a revolving loan of HK\$400 million to STCT for a term of one year, at the interest rate of HIBOR plus a margin of 1.5% per annum. The Company will guarantee on a several basis the due payment of STCT for up to 50% of the total principal amount of the Facility and its related interests and other costs. The Facility will be utilised for supplementing the general working capital of STCT and its subsidiaries.

STCT also undertook under the Facility Agreement to ensure that each of its two shareholders (including the Company) shall (i) hold (directly or indirectly) 50% of the equity interests in STCT; and (ii) remain to be listed on the Main Board of the Stock Exchange.

On the same day, the Company entered into the Corporate Guarantee in favour of China CITIC Bank, pursuant to which the Company agreed to provide guarantee and indemnity, in proportion to its shareholding interests in STCT, for the due payment and discharge of liabilities of STCT under the Facility Agreement for up to 50% of the total principal amount of the Facility (i.e. HK\$200 million) plus interests and other costs.

THE COMMITMENT AND THE SHAREHOLDERS' LOANS

Prior to the provision of the Corporate Guarantee, the Company has committed to provide shareholders' loans of not exceeding HK\$180 million to STCT and out of the Commitment, as at the date of this announcement, the Company has provided shareholders' loans to STCT of an aggregate principal amount of HK\$133,881,765 in proportion to its 50% shareholding interests in STCT. The Shareholders' Loans have no fixed term of repayment and are unsecured and at interest rates calculated with reference to the costs of funding at the time of the provision of the shareholders' loans as agreed between the two shareholders. The Company financed the Shareholders' Loans by its internal resources.

As the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Commitment were all below 5% at the relevant time, the Commitment did not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

REASONS FOR AND BENEFITS OF THE PROVISION OF THE COMMITMENT AND CORPORATE GUARANTEE

The global outbreak of COVID-19 has decimated many sectors of the economy, including travelling and tourism, and forced cross-border travels to a near standstill. As part of governments' containment measures, sea transport and land transport via cross boundary bridges have either been ordered to close or reduced to minimal service and travelers are subject to stringent quarantine measures. STCT, which is principally engaged in the provision of cross boundary transportation services in the Greater Pearl River Delta Region, has been vulnerable to the financial impacts of COVID-19.

Against the above backdrop, at the request of STCT, the Company provided the Commitment (and thus the Shareholders' Loans) to finance the working capital needs of STCT as well as the Corporate Guarantee to facilitate STCT to obtain the Facility in proportion to its shareholding interests in STCT. The Directors believe that the additional funding under the Commitment and the Facility will better position STCT to surmount the current economic turmoil and sustain in this trying period and the gradual recovery from the influence of COVID-19.

Taking into consideration the reasons for and benefits of the provision of the Commitment (and thus the Shareholders' Loans) and the Corporate Guarantee and that they are provided in proportion to its shareholding interests in STCT, the Directors (including the independent non-executive Directors) are of the view that the terms of the Commitment (and thus the Shareholders' Loans) and Corporate Guarantee are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. None of the Directors had any material interest in the provision of the Commitment (and thus the Shareholders' Loans) and Corporate Guarantee nor was required to abstain from participating in the passing of the relevant resolutions.

LISTING RULES IMPLICATIONS

As both the Commitment and the Corporate Guarantee are financial assistance provided and/or committed to be provided to STCT by the Company within a 12-month period, they are required to be aggregated pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 5% but are all less than 25%, the provision of the Commitment and the Corporate Guarantee together constitute discloseable transactions for the Company, and are therefore subject to the reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

GENERAL INFORMATION OF THE PARTIES

The Company

The Company is an investment holding company and the Group is engaged in a number of business activities including property development, investment and management, hospitality, transportation and investment.

STCT and its shareholders

STCT is a company incorporated in the BVI with limited liability and, together with its subsidiaries, is engaged in the provision of cross boundary transportation services in the Greater Pearl River Delta Region. As at the date of this announcement, STCT is held as to 50% by the Company and 50% by Dalmore, respectively. Dalmore is a wholly-owned subsidiary of CTII, which in turn is a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 308). CTII and its subsidiaries are principally engaged in the operations of travel destinations, travel agency, travel documents and related operations, as well as passenger transportation operations.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, CTII and its ultimate controlling shareholders are Independent Third Parties of the Company.

China CITIC Bank

China CITIC Bank is an indirect non-wholly-owned subsidiary of China CITIC Bank Corporation Limited, which in turn is a joint stock commercial bank incorporated under the laws of the People's Republic of China with limited liability whose A shares and H shares are listed on the Shanghai Stock Exchange (Stock Code: 601998) and the Main Board of the Stock Exchange (Stock Code: 998), respectively.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, China CITIC Bank and its ultimate controlling shareholders are Independent Third Parties of the Company.

DEFINITIONS

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

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“China CITIC Bank”	China CITIC Bank International Limited (中信銀行(國際)有限公司)

“Commitment”	the Company’s agreement in providing shareholders’ loans of not exceeding HK\$180 million to STCT in proportion to its shareholding interests in STCT
“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)
“Corporate Guarantee”	the guarantee and indemnity provided by the Company in favour of China CITIC Bank for the due payment and discharge of liabilities of STCT under the Facility Agreement for up to HK\$200 million plus interests and other costs, pursuant to the letter of guarantee and indemnity dated 19 January 2021 entered into by the Company in favour of China CITIC Bank
“CTII”	China Travel International Investment Hong Kong Limited (香港中旅國際投資有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 308)
“Dalmore”	Dalmore Investments Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of CTII
“Director(s)”	the director(s), including independent non-executive director(s), of the Company
“Facility”	the HK\$400 million revolving loan provided by China CITIC Bank to STCT on the terms and conditions of the Facility Agreement
“Facility Agreement”	the Facility Agreement dated 19 January 2021 entered into between STCT, China CITIC Bank, the Company and CTII in respect of the Facility
“Group”	the Company and its subsidiaries
“HIBOR”	Hong Kong Interbank Offered Rate

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	independent third party(ies) not connected with the Company or its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Shareholders’ Loans”	the unsecured shareholders’ loans in an aggregate amount of HK\$133,881,765 provided by the Company to STCT pursuant to the Commitment
“Shareholder(s)”	holder(s) of the ordinary share(s) of the Company
“STCT”	Shun Tak – China Travel Shipping Investments Limited, a company incorporated in the BVI with limited liability, which is held as to 50% by the Company and 50% by Dalmore, respectively
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percent

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

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

Hong Kong, 19 January 2021

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