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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

UPDATE ON DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF CERTAIN EQUITY INTEREST IN A LISTED COMPANY

THE SALE AND PURCHASE AGREEMENT

Reference is made to the Announcement in relation to the Framework Agreement agreed upon in principle by the Seller and the Buyer on the potential acquisition of the Sale Shares by the Buyer from the Seller.

The Board is pleased to announce that on 1 June 2021, the Buyer and the Seller entered into the Sale and Purchase Agreement to finalise the terms and conditions of the Acquisition. Pursuant to the Sale and Purchase Agreement, the Buyer has conditionally agreed to acquire, and the Seller has conditionally agreed to sell, the Sale Shares representing approximately 16.93% of the total issued share capital of the Target Company, for a total cash consideration of approximately HK\$516 million. The terms of the Sale and Purchase Agreement were based on those of the Framework Agreement, and the Framework Agreement has been terminated upon the signing of the Sale and Purchase Agreement.

LISTING RULES IMPLICATIONS

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

INTRODUCTION

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The Board is pleased to announce that on 1 June 2021, the Buyer and the Seller entered into the Sale and Purchase Agreement to finalise the terms and conditions of the Acquisition. Pursuant to the Sale and Purchase Agreement, the Buyer has conditionally agreed to acquire, and the Seller has conditionally agreed to sell, the Sale Shares representing approximately 16.93% of the total issued share capital of the Target Company, for a total cash consideration of approximately HK\$516 million. The terms of the Sale and Purchase Agreement were based on those of the Framework Agreement, and the Framework Agreement has been terminated upon the signing of the Sale and Purchase Agreement.

PRINCIPAL TERMS OF THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out below:

Date

1 June 2021

Parties

- (1) the Buyer, a wholly-owned subsidiary of the Company; and
- (2) the Seller.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Seller and its ultimate beneficial owners are Independent Third Parties.

Subject Matter

Pursuant to the Sale and Purchase Agreement, the Buyer has conditionally agreed to acquire, and the Seller has conditionally agreed to sell, the Sale Shares representing approximately 16.93% of the total issued share capital of the Target Company.

For details of the Target Company and the Target Group, please refer to the section headed “Information on the Target Company and the Target Group” in the Announcement.

Consideration and Payment Terms

The total consideration for the Sale Shares shall be approximately HK\$516 million (equivalent to HK\$0.61 per Sale Share).

The Buyer and the Seller shall enter into an escrow agreement with a licensed bank in Hong Kong (an Independent Third Party) as soon as practicable after the date of the Sale and Purchase Agreement to jointly appoint such bank as the escrow agent to receive and disburse the total consideration for the Sale Shares. The total consideration for the Sale Shares (after deducting an estimated amount of stamp duty payable by the Seller for the Acquisition) shall be deposited by the Buyer into an escrow account set up with the escrow agent on the date of Completion, and, subject to certain deductions, shall be disbursed and released to the Seller on the expiry of 40 days after the date of Completion.

Basis of the Consideration

The consideration for the Sale Shares was determined after arm’s length negotiations between the Buyer and the Seller, and with reference to a number of factors including but not limited to (i) the historical price movement of the Target Shares; (ii) the net asset value of the Target Group as at 31 December 2020; and (iii) the historical financial performance and future business prospect of the Target Group.

The consideration of HK\$0.61 per Sale Share represents: (i) 11.6% discount over the closing price of HK\$0.69 per Target Share as quoted on the Stock Exchange on the last trading day before the date of the Sale and Purchase Agreement; (ii) 17.6% discount over the average closing price of approximately HK\$0.74 per Target Share as quoted on the Stock Exchange over the last 20 trading days up to and including the last trading day before the date of the Sale and Purchase Agreement; and (iii) 30.7% discount over the net asset value per Target Share of approximately HK\$0.88 as at 31 December 2020.

Conditions Precedent

Completion is conditional on the fulfilment (or waiver) of the following conditions:

- (i) the passing of the necessary resolutions by the board of directors and the shareholders of the Seller approving the Sale and Purchase Agreement and all other transactions contemplated thereunder;
- (ii) the passing of the necessary resolutions by the board of directors of the Buyer approving the Sale and Purchase Agreement and all other transactions contemplated thereunder;
- (iii) the passing of the necessary resolutions by the board of directors of the Target Company approving the appointment of a person to be nominated by the Buyer as a director of the Target Company with effect from Completion;
- (iv) the Target Group having obtained all relevant approvals and consents from the relevant regulatory authorities in Hong Kong and/or elsewhere in connection with the Acquisition; and
- (v) prior to Completion, no order or judgment (whether potential, provisional, preliminary or permanent) of any applicable laws or regulations has been issued or made by any relevant government authority or court, which makes it unlawful for either the Buyer or the Seller to complete, or otherwise prohibits or restricts either of them from completing, any transactions under the Sale and Purchase Agreement.

The above conditions shall be satisfied or waived on or before the Long Stop Date.

The conditions under (i), (ii) and (v) may be waived by mutual written consent of the Seller and the Buyer, and the condition under (iii) may only be waived by the Buyer in writing to the Seller.

If any of the conditions is not satisfied or waived on or before 5:00 p.m. (Hong Kong time) on the Long Stop Date, (i) the Sale and Purchase Agreement shall lapse and be of no further effect (save for certain clauses as specified in the Sale and Purchase Agreement); and (ii) neither the Buyer nor the Seller shall have any liability and obligation to each other save for any antecedent breach of any confidentiality obligations as agreed among them in connection with the Acquisition.

Completion

Completion shall take place on the third business day after the date on which all the conditions set out in the section headed “Principal Terms of the Sale and Purchase Agreement – Conditions Precedent” above are fulfilled or waived, or such other date as the Buyer and the Seller may agree.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Please refer to the section headed “Reasons for and Benefits of the Acquisition” in the Announcement for the reasons for and benefits of the Acquisition.

Taking into consideration the reasons for and benefits of the Acquisition to the Company, the Directors (including the independent non-executive Directors) are of the view that the terms of the Sale and Purchase Agreement and the Acquisition, including the basis of calculation of the consideration which has been reached after arm’s length negotiations among the parties, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. No Directors had any material interest in the Acquisition nor were required to abstain from voting on the Board resolutions in respect of the Acquisition.

INFORMATION ON THE TARGET COMPANY AND THE TARGET GROUP

Please refer to the section headed “Information on the Target Company and the Target Group” in the Announcement for the general and financial information of the Target Company and Target Group.

INFORMATION ON THE GROUP, THE BUYER AND THE SELLER

Please refer to the sections headed “General Information on the Group and the Buyer” and “Information on the Seller” in the Announcement for the information of the Group, the Buyer and the Seller.

LISTING RULES IMPLICATIONS

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

DEFINITIONS

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

“Acquisition”	the proposed acquisition of the Sale Shares by the Buyer from the Seller pursuant to the terms and conditions of the Sale and Purchase Agreement
“Announcement”	the Company’s announcement dated 18 April 2021 on the Framework Agreement in relation to the potential acquisition of the Sale Shares by the Buyer from the Seller
“Board”	the board of Directors
“Buyer”	Common Sense Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“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
“Director(s)”	the director(s), including independent non-executive director(s), of the Company
“Framework Agreement”	a framework agreement dated 17 April 2021 entered into between the Buyer and the Seller in relation to the potential acquisition of the Sale Shares by the Buyer from the Seller
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“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
“Long Stop Date”	15 June 2021 (or such other date as the Buyer and the Seller may agree in writing) but in any event no later than 31 July 2021
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Sale and Purchase Agreement”	a formal sale and purchase agreement dated 1 June 2021 entered into between the Buyer and the Seller in relation to the Acquisition
“Sale Shares”	845,441,505 Target Shares, representing approximately 16.93% of the total issued share capital of the Target Company as at the date of this announcement
“Seller”	Today’s Asia Limited, a company incorporated in Hong Kong with limited liability
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed thereto under the Listing Rules
“Target Company”	Phoenix Media Investment (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 2008)
“Target Group”	the Target Company and its subsidiaries

“Target Shares” ordinary shares of the Target Company

“%” percent

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

Hong Kong, 2 June 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.