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SHUN TAK HOLDINGS LIMITED

信德集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 242)

ANNOUNCEMENT

Sale of all units in Tower Four of One Central Residences

This announcement is made pursuant to Rule 13.09 of the Listing Rules. The Directors are pleased to announce that on 31 October 2006, Sub F, a property development company jointly controlled by the Company and Hongkong Land, entered into the S&P Agreement with the Purchaser, an indirect wholly owned subsidiary of Sjóvá-Almennar tryggingar hf, a financial services and investment group and the largest insurance provider in Iceland, in relation to the sale of all units in Tower Four of One Central Residences.

The consideration for the Properties, being all units in Tower Four, has been agreed at approximately HK\$782.74 million, to be paid in cash in accordance with the terms set out in the S&P Agreement.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

THE SALE

The Directors are pleased to announce that on 31 October 2006, Sub F, a property development company jointly controlled by the Company and Hongkong Land, entered into the S&P Agreement with the Purchaser, an indirect wholly owned subsidiary of Sjóvá-Almennar tryggingar hf, a financial services and investment group and the largest insurance provider in Iceland, in relation to the sale of all units in Tower Four of One Central Residences.

DETAILS OF THE S&P AGREEMENT

Signing Date

31 October 2006

Parties

Vendor : Sub F

Purchaser : Drakensberg Investments Limited

Guarantor for Purchaser : Sjóvá-Almennar tryggingar hf. The Guarantor provides the guarantee on the performance of all the obligations and liabilities of the Purchaser under the S&P Agreement.

Description of the Properties

The Properties comprise the entire 68 residential units in Tower Four, of which 66 units are three-bedroom and four-bedroom apartments, ranging from saleable area of approximately 1,800 sq. ft. to 2,100 sq. ft. (ie 2,300 sq. ft. to 2,600 sq. ft. gross) and two triplex units of saleable area of approximately 5,600 sq. ft. to 5,900 sq. ft. each (ie 7,200 sq. ft. to 7,500 sq. ft. gross). Tower Four is one of the seven residential towers of One Central Residences, the residential portion of a mixed-use development, One Central, currently under construction at Lot B, District B2, Zone B, NAPE, Macau. Unlike other units of One Central Residences where standard finishes and fittings will be provided by Sub F, the Purchaser has requested that the Properties be delivered with minimum standard for their fitting out of the interior of the units and some of the common areas within Tower Four (other than the main lobby). The consideration for the Properties has already taken into account the Purchaser's responsibility to fully fit out the interior of the Properties and some common areas of the Tower Four.

To ensure consistency and quality of management for One Central, Sub F has retained the overall management of all common areas and public facilities of the Properties and the entire One Central Residences.

Consideration Amount

The consideration for the Properties is approximately HK\$782.74 million which will be paid in cash by the Purchaser to Sub F.

The consideration has been determined based on arm's length negotiation in the ordinary course of business. The consideration has been determined by reference to super-luxury residential properties in Macau as well as the understanding that One Central will be a premium quality mixed-use development launched and managed under the supervision of the Company and Hongkong Land. The consideration translates into an average selling price of approximately HK\$4,410 per sq. ft. of gross area.

Payment Terms

5% of the total consideration being approximately HK\$39.14 million has been paid in cash by the Purchaser upon the signing of the S&P Agreement. Up to 30% of the total consideration (inclusive of the said 5% initial deposit) being approximately HK\$234.82 million will be payable by a number of instalments within 12 months after the date of the S&P Agreement. The balance of 70% of the total consideration being approximately HK\$547.92 million will be paid on or before the Handover Date.

Lock Up Arrangement

The Purchaser has undertaken not to dispose of the Properties (or any part thereof) on or before 31 December 2009. This undertaking will automatically lapse if Sub F has completed the sale and closing of 95% of the saleable area of One Central Residences or, commencing 1 January 2008 to 31 December 2009 (both dates inclusive), if the average sales price of the Properties is above a certain minimum price to be agreed between the parties pursuant to the terms set out in the S&P Agreement.

Handover Date and Completion

Handover of the Properties and payment of the balance of the 70% of consideration will take place within 21 days after Sub F notifies the Purchaser that it is in a position to hand over possession of the Properties. The target Handover Date is expected to be on or before 31 December 2009 and the latest Handover Date is 30 June 2010.

Completion will take place upon the registration of the notarization of property sales with the Macau property registry after the definitive registration for division of the Properties has been completed.

FINANCIAL IMPACT

Sub F is a Macau property development company jointly owned directly or indirectly by the Group and Hongkong Land as to 51% and 49% respectively. Sub F is not accounted for as a subsidiary but as a jointly controlled entity in the accounts of the Company. The Properties are currently under construction and the revenue and costs attributable to the Properties will be accounted for in the accounts of Sub F. The financial results of Sub F will be taken up in the Group's financial statements using the equity method.

REASON FOR THE SALE

Sale of properties is in the ordinary course of business of the Group. The Directors believe that the sale of all units in Tower Four on an en bloc basis is a good opportunity to realize the investment of the Group in a cost and time effective manner.

The Directors (including the independent non-executive Directors) are of the view that the sale of the Properties was made: (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; (iii) on terms that are fair and reasonable; and (iv) in the interests of the Group and the Shareholders as a whole.

BUSINESS OF THE PARTIES

The Company is the holding company of a number of business activities principally consisting of shipping, hospitality and property development.

Hongkong Land is the holding company of a number of business activities principally consisting of investment and development of commercial properties and residential buildings.

Sub F is a Macau property development company whose sole business is to develop One Central in Macau.

The Purchaser is an investment company whose sole business activity is to acquire and hold the Properties.

Sjóvá-Almennar tryggingar hf is a financial service provider and investment group. It is the largest insurance provider in Iceland.

To the best of the Directors' knowledge, information and belief, having made all reasonable inquiry, the Purchaser, Sjóvá-Almennar tryggingar hf and their ultimate beneficial owners are parties independent of and not connected with the Directors, chief executive and substantial shareholder of the Company and its subsidiaries and their respective associates as defined in the Listing Rules.

GENERAL

As at the date of this announcement, the executive Directors of the Company are Dr. Stanley Ho, Ms. Pansy Ho, Ms. Daisy Ho, Dr. Ambrose So, Mr. Patrick Huen, Mr. Anthony Chan, Ms. Maisy Ho and Mr. David Shum. The non-executive Directors are Dato' Dr. Cheng Yu Tung and Mrs. Louise Mok and the independent non-executive Directors are Sir Roger Lobo, Mr. Robert Kwan and Mr. Norman Ho.

DEFINITION

“Company”	Shun Tak Holdings Limited, a company incorporated under the laws of Hong Kong, the shares of which are listed on The Stock Exchange of Hong Kong Limited
“Director(s)”	the director(s) of the Company
“Group”	The Company and its subsidiaries
“Handover Date”	being the date not later than 21 days after Sub F notifies the Purchaser that it is in a position to hand over possession of the Properties
“HK\$”	Hong Kong dollar
“Hongkong Land”	Hongkong Land China Holdings Limited, a company incorporated under the laws of Bermuda and its associates
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Macau”	The Macau Special Administrative Region of the People's Republic of China

“One Central Residences”	the seven residential towers, being the residential portion of One Central, a mixed used development currently being constructed at Lot B, District B2, Zone B, NAPE, Macau
“Properties”	the 68 residential units of Tower Four with a total saleable area and gross floor area of approximately 139,000 sq. ft. and 177,400 sq. ft. respectively.
“Purchaser”	Drakensberg Investments Limited, a company incorporated under the laws of the British Virgin Islands, and is an indirect wholly owned subsidiary of Sjóvá-Almennar tryggingar hf
“Sjóvá-Almennar tryggingar hf”	a company incorporated in 1989 under the laws of Iceland. It is a financial services and investment group and the largest insurance provider in Iceland
“Sub F”	Properties Sub F, Limited, a company incorporated under the laws of Macau, owns and develops One Central in Macau. Sub F is indirectly owned by the Company and Hongkong Land as to 51% and 49%.
“S&P Agreement”	The master sale and purchase contract entered into by Sub F and the Purchaser in relation to the sale and purchase of the Properties dated 31 October 2006
“Shareholders”	Shareholders of the Company
“sq. ft.”	square feet or square foot
“Tower Four”	one of the residential tower blocks of One Central Residences comprising 68 residential units
“%”	Per cent.

By order of the Board
Angela Tsang
Company Secretary

Hong Kong, 1 November 2006