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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)**

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

## **ANNOUNCEMENT**

# **DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF SKAMBY LIMITED AND PROPOSED OFF-MARKET SHARE REPURCHASE AND RESUMPTION OF TRADING**

### **The Disposal**

On 20 January 2009, the Vendor (an indirect wholly-owned subsidiary of the Company), the Purchaser (a wholly-owned subsidiary of STDM), EHIL, the Company and STDM entered into the SPA, pursuant to which the Vendor conditionally agreed to sell and to assign, and the Purchaser conditionally agreed to purchase, the Sale Share and the Sale Loan for a total cash consideration of HK\$740.0 million (subject to adjustment). The Sale Share represents the entire equity of Skamby, which owns 50% of the equity interest in EHIL. The principal asset of EHIL is the Site.

The Company has unconditionally and irrevocably guaranteed to the Purchaser the due and punctual performance by the Vendor of its obligations under the SPA. STDM has unconditionally and irrevocably guaranteed to the Vendor the due and punctual performance by the Purchaser of its obligations under the SPA.

Subject to verification by the Company's auditors and adjustment of the Consideration by reference to the adjusted NAV of Skamby and EHIL on the Completion Date, it is estimated that the Group will recognise a profit of approximately HK\$698.7 million from the Disposal being the amount by which the Consideration (before adjustments) exceeds the carrying value of the Group's interest in Skamby (including its 50% interest in EHIL) of HK\$41.3 million as at 31 December 2008. The amount of the final Consideration and the actual profit on the Disposal will be determined after the Skamby Completion Account and the EHIL Completion Account have been issued.

Also on 20 January 2009, CGL (a wholly-owned subsidiary of STDM), MOHCL (being the owner of the remaining 50% interest in EHIL) and EHIL entered into the MOHCL SPA, pursuant to which CGL conditionally agreed to purchase and MOHCL conditionally agreed to sell its 50% direct interest in EHIL. The consideration and other terms of the MOHCL SPA are determined on a similar basis to the SPA. The completions of the SPA and the MOHCL SPA are inter-conditional and must occur simultaneously.

The Company intends to use the net proceeds from the Disposal for general working capital and to fund future potential business opportunities available to the Group in the future and, if the Share Repurchase is effected, to fund the Share Repurchase.

Completion of the SPA will take place on the third Business Day following the day on which the conditions contained under the section "The SPA — Conditions precedent" of this announcement are fulfilled or waived, or on such other date as may be agreed between the Vendor and the Purchaser.

### **The Share Repurchase**

On 21 January 2009, STDM and Bluebell (an indirect wholly-owned subsidiary of STDM) executed a Deed of Undertaking in favour of the Company, conditionally undertaking to enter into a repurchase contract (in agreed form) relating to an off-market share repurchase by the Company of 263,667,107 Shares held by STDM and Bluebell, which represents approximately 11.68% of the issued share capital of the Company as at the date of this announcement.

The Company is a company incorporated in Hong Kong. Under Section 49E of the Companies Ordinance, a listed company may not enter into a contingent purchase contract relating to its shares prior to obtaining a required special resolution of its shareholders. Although the form of the draft Repurchase Contract has been

negotiated and agreed between STDM, Bluebell and the Company, the Company may not execute the Repurchase Contract unless and until it has obtained approval by at least three-fourths of the votes cast on a poll by its Independent Shareholders present in person or by proxies at the EGM. It is the Company's intention to execute the Repurchase Contract if and when such resolution is passed.

Upon the transfer of the Repurchase Shares under the Repurchase Contract, such shares will be cancelled forthwith and STDM and Bluebell will no longer be directly or indirectly interested in any Shares. The percentage interest of all other Shareholders in the issued share capital of the Company will be proportionately increased following cancellation of the Repurchase Shares and the resulting reduction in the number of issued Shares.

The number of Shares in issue will be reduced from currently 2,256,941,300 Shares to 1,993,274,193 Shares. The total number of Shares held by the Dr. Ho Concert Party Group will be reduced to 982,196,728 Shares, representing approximately 49.28% interest in the reduced share capital in issue of the Company, assuming no other changes in the number of Shares held by the Dr. Ho Concert Party Group and the number of Shares in issue.

Completion of the Repurchase Contract is subject inter alia to completion of the SPA taking place simultaneously. The parties to the Repurchase Contract agree that the Company's payment obligations in respect of the repurchase consideration under the Repurchase Contract, upon simultaneous completion of the SPA and the Repurchase Contract, shall be set off against the payment obligations of such part of the Consideration owed by the Purchaser to the Vendor under the SPA.

### **General**

In respect of the Disposal, since the consideration ratio as set out in Rule 14.07 of the Listing Rules exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under the Listing Rules.

The Purchaser is a wholly-owned subsidiary of STDM, a substantial Shareholder, and is therefore a connected person of the Company under the Listing Rules. Accordingly, pursuant to Rule 14A.13(1)(a) of the Listing Rules, the Disposal constitutes a connected transaction of the Company which is subject to approval by Independent Shareholders by poll at the EGM.

Since STDM is a connected person of the Company under the Listing Rules, the Share Repurchase will, when effected, constitute a connected transaction of the Company. The Share Repurchase will also constitute an off-market share repurchase and must be approved by the Executive pursuant to Rule 2 of the

Repurchase Code. Such approval, if given, will be conditional upon approval by at least three-fourths of the votes cast on a poll by disinterested shareholders of the Company in attendance in person or by proxy at a general meeting. An application will be made to the Executive for approval of the Share Repurchase under Rule 2 of the Repurchase Code.

As required by the Repurchase Code, members of the Dr. Ho Concert Party Group and all Directors shall abstain from voting in respect of the Repurchase Contract and the transactions contemplated thereunder at the EGM. All directors of the Company are presumed to be concert parties of the Company under the Takeovers Code and hence are required to also abstain from voting in the EGM.

As required by Chapter 14A of the Listing Rules, members of the Dr. Ho Concert Party Group, all Directors and any Shareholders who are involved in or interested in the Disposal and the proposed Share Repurchase shall abstain from voting in respect of the SPA and the Repurchase Contract and the transactions contemplated thereunder at the EGM.

An Independent Board Committee will be formed to consider, and to advise the Independent Shareholders on, the Disposal and the proposed Share Repurchase. An independent financial adviser will also be appointed to make recommendations to the Independent Board Committee and the Independent Shareholders in respect of the Disposal and the proposed Share Repurchase.

The Company will despatch a circular as soon as practicable to the Shareholders in relation to, among other things, details of the Disposal and the proposed Share Repurchase, the advice of the independent financial adviser, the recommendation of the Independent Board Committee and a notice of EGM to approve the Disposal and the proposed Share Repurchase.

The execution and completion of the Repurchase Contract are subject to the satisfaction of certain conditions set out in this announcement. The proposed Share Repurchase may or may not therefore proceed. The Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

### **Suspension and Resumption of Trading**

At the request of the Company, trading in the Shares was suspended on the Stock Exchange from 9:30 a.m. on 21 January 2009 pending release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 22 January 2009.

## **THE SPA**

### **Date**

20 January 2009

### **Parties**

The Vendor: Florinda Hotel Investment Limited, an indirect wholly-owned subsidiary of the Company incorporated in the British Virgin Islands, which beneficially owns the entire issued share capital of Skamby, which in turn owns a 50% indirect interest in EHIL as at the date of this announcement

The Purchaser: Current Time Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of STDM

EHIL: Excelsior - Hoteis e Investimentos, Limitada, a company incorporated in Macau which owns the Site, and is owned as to 50% by each of Skamby and MOHCL as at the date of this announcement

The Company: As the Vendor's guarantor

STDM: As the Purchaser's guarantor

The Company has unconditionally and irrevocably guaranteed to the Purchaser the due and punctual performance by the Vendor of its obligations under the SPA. STDM has unconditionally and irrevocably guaranteed to the Vendor the due and punctual performance by the Purchaser of its obligations under the SPA.

### **Assets being disposed of**

The Vendor, the Purchaser, EHIL, the Company and STDM entered into the SPA on 20 January 2009, pursuant to which the Vendor conditionally agreed to sell and to assign, and the Purchaser conditionally agreed to purchase, the Sale Share and the Sale Loan respectively for the Consideration to be paid in cash.

On the same day, CGL (a wholly-owned subsidiary of STDM), MOHCL (the owner of the remaining 50% interest in EHIL) and EHIL entered into the MOHCL SPA, pursuant to which CGL conditionally agreed to purchase, and MOHCL conditionally agreed to sell, its 50% direct interest in EHIL. The consideration and other terms of the MOHCL SPA were determined on a similar basis to the SPA.

The completions of the SPA and the MOHCL SPA are inter-conditional and must occur simultaneously.

### **Consideration**

The Consideration, being an estimated amount of the total of the Completion Net Assets of Skamby and 50% of the Completion Net Assets of EHIL of approximately zero and approximately HK\$740.0 million respectively, is HK\$740.0 million. The Consideration is allocated (i) as to the Sale Loan, approximately HK\$35.8 million, which is the outstanding balance of the Sale Loan as at the date of the SPA; and (ii) as to the Sale Share, approximately HK\$704.2 million, which is the balance of the Consideration.

### **Adjustment of the Consideration**

The Consideration is subject to:-

- (a) Adjustment with reference to the Completion Net Assets of Skamby and 50% of the Completion Net Assets of EHIL. If:
  - a. the Completion Net Assets of Skamby is more than HK\$20 (being the par value of Skamby's issued share capital), the Purchaser shall pay an additional amount to the Vendor equivalent to such difference, and vice versa; and
  - b. 50% of the Completion Net Assets of EHIL is more than HK\$740.0 million, the Purchaser shall pay an additional amount to the Vendor equivalent to such difference, and vice versa; and
- (b) Adjustment in accordance with the Post Disposal Appreciation (Details are set out in the paragraph headed "Post-Disposal Appreciation Value of the Site" in this announcement).

It is anticipated that the final Consideration after adjustments (a) and (b) above will be within the 25% consideration ratio, being the threshold above which the Disposal will become a major transaction under Chapter 14 of the Listing Rules. For the purpose of this announcement, the final Consideration will not be greater than HK\$1,354 million.

Should the final Consideration after adjustments (a) and (b) above be greater than HK\$1,354 million, the Company will comply with the relevant Listing Rules.

## **Payment term of the Consideration**

The Consideration is payable as follows:

- (a) the Deposit of HK\$80.0 million, upon the signing of the SPA;
- (b) the Completion Payment on the Completion Date; and
- (c) the Final Payment, within 2 Business Days following the adjustment of the Consideration in accordance with the SPA and which is currently expected to be within 2 months from the Completion Date.

The Consideration was determined following commercial and arms' length negotiations between the parties to the SPA with reference to:-

- (a) the preliminary valuation of the Site of HK\$1,500.0 million as at 15 January 2009 conducted by an independent property valuer appointed by the Company. The Site was valued as an on-going hotel operation in its existing state mainly by reference to sales evidence as available on the market and, where appropriate, taking into consideration of the historical performance as advised by the Company in assessing the market value;
- (b) the financial positions of Skamby and EHIL; and
- (c) the general condition of Macau's hospitality and property markets.

## **Conditions precedent**

Completion of the SPA is conditional upon the following conditions having been fulfilled (or in the case of certain conditions, waived):

- (a) the completion of the MOHCL SPA in accordance with the terms thereof ;
- (b) the Independent Shareholders passing at the EGM of ordinary resolution(s) approving the SPA and the transactions contemplated thereunder;
- (c) the shareholders of STDM passing at an extraordinary general meeting of STDM of ordinary resolution(s) approving the SPA and the transactions contemplated thereunder no later than 30 June 2009 or such other date as the Vendor may determine;
- (d) the Deposit having been paid to the Vendor by the Purchaser on the date of the SPA;

- (e) the land lease grant of the resort area in the Site having been duly registered with the Macau Property Registry in accordance with applicable law following renewal; and
- (f) the provisional registration of a mortgage over the Site in favour of the Vendor in accordance with article 41 of the Macau Real Estate Registry Code and the payment by the Purchaser of the applicable registration fees.

As at the date of this announcement, the Deposit has been received by the Vendor from the Purchaser.

In the event any of the above conditions is not fulfilled (or waived in the case of certain conditions), on or before 31 December 2009, any party to the SPA has the right to terminate the SPA by serving a written notice on the other parties, whereupon:

- (a) the SPA will lapse (save for certain specified clauses) and will not proceed to completion; and
- (b) the Vendor shall repay to the Purchaser the Deposit within seven days following the service of the notice of termination.

### **Completion**

Completion of the SPA will take place on the third Business Day following the day on which the above conditions are fulfilled or waived, or on such other date as may be agreed between the Vendor and the Purchaser.

Upon completion of the SPA, the Group will cease to have any equity interest in Skamby and EHIL. Accordingly, Skamby and EHIL will cease to be the Company's subsidiary and associate respectively and STD M will effectively own 100% equity interest in EHIL.

The existing shareholders' agreement in respect of EHIL will be terminated with immediate effect upon completion of the SPA.

On the Completion Date, the Hotel will be re-branded by STD M.

### **Condition Subsequent**

As stated below, the Purchaser's obligation to pay the Post-Disposal Appreciation will be secured by the Mortgage in favour of the Vendor over all of EHIL's right, title and interest in and to the Site. In the event the Mortgage Documents are not registered or accepted for registration by the Macau Property Registry within 30 days

after the Completion Date, the Purchaser and EHIL shall on demand take all action required by the Vendor to unwind the transactions under the SPA, including the Purchaser and EHIL re-transferring to the Vendor the Sale Loan and the Sale Share and the Vendor repaying to the Purchaser all Consideration received.

### **Post-Disposal Appreciation Value of the Site**

Subsequent to completion of the SPA, if any of the following events or circumstances (the “**Trigger Events**”) occurs (unless the Trigger Events are reversed under the SPA):-

- (a) any application made to or approval obtained from any department or division of the Government of Macau to redevelop or materially improve the Site or any part thereof (the “**Redevelopment Application**”);
- (b) there appears in the Macau Official Gazette an approval dispatch regarding the Redevelopment Application;
- (c) ownership or control of any interest in either the Site or EHIL is sold, transferred or otherwise disposed to a party other than STDM or its affiliates;
- (d) any major structural changes or addition(s) are made to the building on the Site;  
or
- (e) there is a breach of any of the obligations, covenants, undertaking or warranties of EHIL under the Mortgage Documents,

then the Purchaser shall pay to the Vendor the Post-Disposal Appreciation, being 50% of the amount by which the Market Value of the Site exceeds the Agreed Value. The Market Value will be determined by a written valuation of the Site issued by an independent valuer engaged by the Vendor, STDM or MOHCL.

The Purchaser’s obligation to pay the Post-Disposal Appreciation will be secured in favour of the Vendor by the Mortgage over all of EHIL’s right, title and interest in and to the Site.

### **INFORMATION ON THE COMPANY, SKAMBY, EHIL AND THE SITE**

The Company is an investment holding company and its subsidiaries are engaged in a number of business activities including transportation, hospitality, property development and investment.

Skamby, an indirect wholly-owned subsidiary of the Company, is an investment holding company incorporated in Hong Kong. As at the date of this announcement, Skamby has no business operations other than its holding of 50% interests in EHIL.

EHIL is a company incorporated in Macau and owned as to 50% by each of Skamby and MOHCL as at the date of this announcement. The principal asset of EHIL is the Site.

The Site is located at 956-1110, Avenida da Amizade, Macau. The Hotel comprises a 416-room five-star hotel operated under the name “Mandarin Oriental Macau”, together with ancillary facilities such as restaurants, a sport and recreation complex, commercial shops and a casino.

Below is a summary of the key financial data of Skamby at its entity level for the two years ended 31 December 2008 prepared in accordance with the generally accepted accounting principles in Hong Kong:

	<b>For the year ended 31 December 2008</b> <i>(unaudited)</i> <i>HK\$ million</i>	<b>For the year ended 31 December 2007</b> <i>(audited)</i> <i>HK\$ million</i>
Profits before taxation	53.3	31.5
Profits after taxation	53.3	31.5
NAV	—	0.7

Below is a summary of the key financial data of EHIL for the two years ended 31 December 2008 prepared in accordance with the generally accepted accounting principles in Macau:

	<b>For the year ended 31 December 2008</b> <i>(unaudited)</i> <i>MOP million</i>	<b>For the year ended 31 December 2007</b> <i>(audited)</i> <i>MOP million</i>
Profits before taxation	40.4	84.6
Profits after taxation	40.4	82.0
NAV	83.7	152.8

## **THE PROPOSED SHARE REPURCHASE**

On 21 January 2009, STDM and Bluebell (an indirect wholly-owned subsidiary of STDM) executed a Deed of Undertaking in favour of the Company conditionally undertaking to execute a repurchase contract (in agreed form) relating to an off-market share repurchase by the Company of 263,667,107 Shares in aggregate held

by STDM and Bluebell (the “**Repurchase Contract**”). These Shares represent approximately 11.68% of the Company’s issued share capital as at the date of this announcement. Details are set out in the paragraph headed “The Repurchase Contract” in this announcement.

The Company is a company incorporated in Hong Kong. Under Section 49E of the Companies Ordinance, a listed company may not enter into a contingent purchase contract relating to its shares prior to obtaining a required special resolution of its shareholders. Although the form of the draft Repurchase Contract has been negotiated and agreed between STDM, Bluebell and the Company, the Company may not execute the Repurchase Contract unless and until it has obtained approval by at least three-fourths of the votes cast on a poll by the Independent Shareholders present in person or by proxies at the EGM. It is the Company’s intention to execute the Repurchase Contract if and when such resolution is passed.

### **The Deed of Undertaking**

- Date: 21 January 2009
- Parties: STDM and Bluebell (an indirect wholly-owned subsidiary of STDM)
- Lapse: Upon termination or lapse of the SPA
- Terms of Undertaking: Apart from non-disposal undertakings during the subsistence of the Deed of Undertaking, STDM and Bluebell undertake to execute the Repurchase Contract within 1 day after satisfaction of the following conditions:
- (a) the holding of the EGM and the passing of requisite special resolution by at least three-fourths of the votes cast on a poll by the Independent Shareholders present in person or by proxy at the EGM approving the execution by the Company of the Repurchase Contract and the transactions contemplated thereunder;
  - (b) the passing of requisite resolutions in the EGM by Independent Shareholders approving the execution by the Company of the SPA and the transactions contemplated thereunder;
  - (c) the shareholders of STDM passing at an extraordinary general meeting of STDM of ordinary resolution(s) approving the Repurchase Contract and the transactions contemplated thereunder;

- (d) the shareholders of STDM passing at an extraordinary general meeting of STDM of ordinary resolution(s) approving the SPA and the transactions contemplated thereunder; and
- (e) the Executive approving the Share Repurchase pursuant to the Repurchase Code (and such approval not having been withdrawn) and the condition(s) of such approval, if any, having been satisfied.

### **The Repurchase Contract**

Parties:	the Company (as purchaser); and STDM and Bluebell (as seller)
Number of Shares to be repurchased:	263,667,107 Shares
Consideration:	HK\$580,067,635.40, equivalent to HK\$2.20 per Share (the “ <b>Repurchase Price</b> ”). The Repurchase Price was determined following commercial and arms’ length negotiations between the parties taking into account the price movements of the Shares over a period of time and prevailing market conditions. As agreed between the parties, the Repurchase Price is equal to the average closing price of approximately HK\$ 2.20 per Share as quoted on the Stock Exchange for the 30 consecutive Trading Days up to and including 20 January 2009.

The Repurchase Price represents:

- (a) a premium of approximately 2.3% to the closing price of HK\$2.15 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 9.5% to the average closing price of approximately HK\$2.43 per Share for the last ten trading days up to and including the Last Trading Day;
- (c) at par to the average closing price of approximately HK\$2.20 per Share for the last 30 trading days up to and including the Last Trading Day; and
- (d) a discount of approximately 59.3% to the net asset value per Share of approximately HK\$5.4 as at 30 June 2008 (based on the net assets attributable to Shareholders of approximately HK\$12,644.0 million as set out in the interim report of the Company as at 30 June 2008 and 2,341,843,300 Shares in issue as at that date).

In the event of occurrence of force majeure events which prevent, hinder or restrict continued performance of the Repurchase Contract by either party (not due to the fault of any party thereto) either before completion of the Repurchase Contract (the “**Repurchase Completion**”) or the Deferred Transfer (as defined below), the parties shall consult each other as regards termination of the Repurchase Contract or unwind the transaction thereunder (as the case may be).

### **Conditions**

The Repurchase Completion is conditional upon (i) all conditions precedent under the SPA having been fulfilled (or duly waived) and the completion of the SPA taking place simultaneously; and (ii) the Company having sufficient distributable profits to effect the Share Repurchase as required by Section 49B and other relevant provisions of the Companies Ordinance.

### **Completion and set off**

The Repurchase Completion is subject inter alia to the simultaneous completion of the SPA. In those circumstances, the parties to the Repurchase Contract agree that the Company’s obligation to pay the consideration under the Repurchase Contract shall be set off against the obligation to pay such part of the Consideration owed by the Purchaser to the Vendor under the SPA.

Upon Repurchase Completion (which takes place at the same time as the completion of the SPA), although the consideration payable under the Repurchase Contract has been paid and settled by way of set-off aforesaid, the actual transfer and cancellation of the Repurchase Shares will be deferred (the “**Deferred Transfer**”) to the date when the Mortgage Documents are registered or accepted for registration by the Macau Property Registry Office (which must be done within 30 days following the Repurchase Completion) (the “**Deferred Transfer Date**”).

The reason for the Deferred Transfer is to avoid the cancellation of Repurchase Shares and the subsequent re-issue of shares in case the Mortgage Documents cannot be registered within the time limit. The Deferred Transfer of the Repurchase Shares affords a more flexible way to facilitate the possible unwinding of the transaction under the Repurchase Contract. STDM and Bluebell have indicated that, unless the transaction is (in the unlikely event) being unwound due to non-registration of the Mortgage Documents within the 30-day time limit, they will not exercise the voting rights attached to the Repurchase Shares commencing from the Repurchase Completion.

In case unwinding of the transaction under the Repurchase Contract is required, such unwinding will be done simultaneously with the unwinding of the transaction under the SPA.

## **Share Charge**

As security for the obligations of STDM and Bluebell to ensure the Deferred Transfer of the Repurchase Shares on the Deferred Transfer Date, each of STDM and Bluebell will execute a share charge over the Repurchase Shares in favor of the Company on the Repurchase Completion date.

## **Effect of the Share Repurchase on the shareholding structure of the Company**

As at the date of this announcement, STDM and Bluebell hold an aggregate of 263,667,107 Shares, representing approximately 11.68% of the existing issued share capital of the Company.

As at the date of this announcement, the Dr. Ho Concert Party Group (including STDM and Bluebell) holds an aggregate of 1,245,863,835 Shares, representing approximately 55.20% of the issued share capital of the Company.

Upon the Deferred Transfer of the Repurchase Shares on the Deferred Transfer Date, the Repurchase Shares will be cancelled and STDM and Bluebell will no longer be directly or indirectly interested in any Shares. The percentage interest of all other Shareholders in the issued share capital of the Company will be proportionately increased following cancellation of the Repurchase Shares and the resulting reduction in the number of issued Shares.

The number of Shares in issue will be reduced from 2,256,941,300 Shares to 1,993,274,193 Shares. The total number of Shares held by the Dr. Ho Concert Party Group will be reduced to 982,196,728 Shares, representing approximately 49.28% interest in the Company, assuming no other changes in the number of Shares held by the Dr. Ho Concert Party Group and the number of Shares in issue.

**Table 1**

The following table illustrates the shareholding structure of the Company as at the date of this announcement and immediately upon completion of the Deferred Transfer:

Shareholders	Note	As at the date of this announcement		Immediately upon completion of the Deferred Transfer (assuming no other changes to the relevant shareholdings)	
		No. of shares	Approx. %	No. of shares	Approx. %
<i>Dr. Ho Concert Party Group</i>					
Dr. Stanley Ho	(i)	289,957,750	12.85%	289,957,750	14.55%
STDM and its subsidiary	(ii)	263,667,107	11.68%	—	0.00%
STS and its subsidiaries	(iii)	308,057,215	13.65%	308,057,215	15.46%
Mrs. Louise Mok		342,627	0.02%	342,627	0.02%
Ms. Pansy Ho	(iv)	227,519,265	10.08%	227,519,265	11.41%
Ms. Daisy Ho	(v)	131,622,518	5.83%	131,622,518	6.60%
Ms. Maisy Ho	(vi)	<u>24,697,353</u>	<u>1.09%</u>	<u>24,697,353</u>	<u>1.24%</u>
Sub-total		1,245,863,835	55.20%	982,196,728	49.28%
<i>Public shareholders:</i>					
Other directors of the Company		25,361,171	1.12%	25,361,171	1.27%
Other public shareholders		<u>985,716,294</u>	<u>43.68%</u>	<u>985,716,294</u>	<u>49.45%</u>
Sub-total		<u>1,011,077,465</u>	<u>44.80%</u>	<u>1,011,077,465</u>	<u>50.72%</u>
<b>Total</b>		<b><u>2,256,941,300</u></b>	<b><u>100.00%</u></b>	<b><u>1,993,274,193</u></b>	<b><u>100.00%</u></b>

*Notes:*

- (i) The Shares held by Dr. Stanley Ho comprise 11,446,536 Shares held by Sharikat Investments Limited, 24,838,987 Shares held by Dareset Limited and 2,736,067 Shares held by Lanceford Company Limited, all are wholly-owned by Dr. Stanley Ho.
- (ii) STDM is a company controlled within the meaning attributed to it under the Takeovers Code by Dr. Stanley Ho.
- (iii) STS is a company controlled within the meaning attributed to it under the Takeovers Code by Dr. Stanley Ho.

- (iv) The Shares held by Ms. Pansy Ho comprise 97,820,707 Shares held by Beeston Profits Limited and 94,110,954 Shares held by Classic Time Developments Limited, both are wholly-owned by Ms. Pansy Ho.
- (v) The Shares held by Ms. Daisy Ho are held by St. Lukes Investments Limited, which is wholly-owned by Ms. Daisy Ho.
- (vi) The Shares held by Ms. Maisy Ho are held by LionKing Offshore Limited, which is wholly-owned by Ms. Maisy Ho.

## Table 2

Set out below are the unissued shares and the underlying shares of the Company as at the date of this announcement:

Shareholders	Nature of interests	Number of Shares		Approximate percentage of issued share capital Note (i)
		Personal interests	Corporate interests	
Dr. Stanley Ho	Interests in unissued Shares	—	148,883,374 (iii)	6.60%
	Interests in underlying Shares	1,587,300 (ii)	—	0.07%
Ms. Pansy Ho	Interests in unissued Shares	—	148,883,374 (iii)	6.60%
	Interests in underlying Shares	10,157,740 (ii)	—	0.45%
Ms. Daisy Ho	Interests in unissued Shares	—	148,883,374 (iii)	6.60%
	Interests in underlying Shares	12,157,740 (ii)	—	0.54%
Ms. Maisy Ho	Interests in underlying Shares	20,157,740 (ii)	—	0.89%
	Interests in underlying Shares	20,157,740 (ii)	—	0.89%
Mr. Patrick Huen	Interests in underlying Shares	10,078,870 (ii)	—	0.45%
	Interests in underlying Shares	5,000,000 (ii)	—	0.22%
Mr. David Shum	Interests in underlying Shares	5,000,000 (ii)	—	0.22%
	Interests in underlying Shares	200,000 (ii)	—	0.01%
Employees of the Company	Interests in underlying Shares	200,000 (ii)	—	0.01%

Notes:

- (i) As at date of this announcement, the total number of issued shares of the Company is 2,256,941,300.

- (ii) These represent the interests in underlying shares in respect of share options granted by the Company.
- (iii) The 148,883,374 unissued Shares of Dr. Stanley Ho, Ms. Pansy Ho and Ms. Daisy Ho are the same parcel of Shares, and represent Shares to be allotted to Alpha Davis Investments Limited upon completion of the acquisition as described in the Company's circular dated 17 December 2004. Alpha Davis Investments Limited is owned as to 47% by Innowell Investments Limited and 53% by Megaprosper Investments Limited. Innowell Investments Limited is wholly-owned by Dr. Stanley Ho. Megaprosper Investments Limited is owned as to 51% by Ms. Pansy Ho and 39% by Ms. Daisy Ho.

## **INFORMATION ON STD M, THE PURCHASER AND BLUEBELL**

STDM, a company incorporated in Macau, has diverse business interests predominantly based in Macau, including entertainment, leisure, sports, tourism and realty.

The Purchaser is an investment holding company incorporated in the British Virgin Islands and a wholly-owned subsidiary of STDM.

Bluebell is an investment holding company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of STDM.

## **REASONS FOR THE DISPOSAL AND THE SHARE REPURCHASE**

The Disposal enables the Group to realise the value of its interest in the Site at a substantial profit. Subject to verification by the Company's auditors, and following adjustment of the Consideration with reference to the Completion Net Assets of Skamby and the Completion Net Assets EHIL on the Completion Date, it is estimated the Group will recognise a profit of approximately HK\$698.7 million from the Disposal, being the amount by which the Consideration (before adjustments) exceeds the carrying value of the Group's interest in Skamby (including its 50% interest in EHIL) of HK\$41.3 million as at 31 December 2008. The amount of actual gain on the Disposal will be finally determined following the issuance of the Skamby Completion Account and the EHIL Completion Account.

The proceeds from the Disposal are expected to enhance the Group's liquidity and financial position. The Company intends to use the net proceeds for general working capital and to fund potential business opportunities available to the Group in future and, if the Share Repurchase is effected, to fund the Share Repurchase.

The Company has been striving to maximise the total return on the Shareholders' investment in the Company. To enhance the earnings and NAV per Share, the Company has been repurchasing Shares through the open market from time to time. Since the Company's annual general meeting on 19 June 2008, the Company has

repurchased and cancelled approximately 104.6 million Shares through on-market share repurchase at an average repurchase price of approximately HK\$2.99 per Share, representing approximately 4.5% of the then issued share capital of the Company. In view of the relatively low trading liquidity of the Shares, it is difficult for the Company to conduct an on-market repurchase of a significant block of its issued share capital.

Subject to obtaining the requisite shareholder approval, the proposed Share Repurchase presents an excellent opportunity for the Company to enhance its earnings and NAV per Share with a view to maximizing the total return on the Shareholders' investment in the Company.

### **IMPLICATIONS UNDER THE LISTING RULES AND THE REPURCHASE CODE**

In respect of the Disposal, since the consideration ratio as set out in Rule 14.07 of the Listing Rules exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under the Listing Rules.

The Purchaser is a wholly-owned subsidiary of STDM, a substantial Shareholder, and is therefore a connected person of the Company under the Listing Rules. Accordingly, pursuant to Rule 14A.13(1)(a) of the Listing Rules, the Disposal also constitutes a connected transaction of the Company which is subject to approval by Independent Shareholders by poll at the EGM.

Since STDM is a connected person of the Company under the Listing Rules, the Share Repurchase, when effected, will constitute a connected transaction of the Company. Pursuant to Rule 2 of the Repurchase Code, the Share Repurchase will also constitute an off-market share repurchase and must be approved by the Executive. Such approval, if given, is conditional upon approval by at least three-fourths of the votes cast on a poll by disinterested shareholders of the Company in attendance in person or by proxy at a general meeting. An application will be made to the Executive for approval of the Share Repurchase.

As required by the Repurchase Code, members of the Dr. Ho Concert Party Group and all Directors shall abstain from voting in respect of the Repurchase Contract and the transactions contemplated thereunder at the EGM. All directors of the Company are presumed to be concert parties of the Company under the Takeovers Code and hence are required to also abstain from voting in the EGM.

As required by Chapter 14A of the Listing Rules, members of the Dr. Ho Concert Party Group, all Directors and any Shareholders who are involved in or interested in the Disposal and the proposed Share Repurchase shall abstain from voting in respect of the SPA and the Repurchase Contract and the transactions contemplated thereunder at the EGM.

## **GENERAL**

The Directors (excluding members of the Independent Board Committee whose view will be contained in the circular to be dispatched in due course to the Shareholders after taking into account the advice from the independent financial adviser) are of the view that both the Disposal and the Share Repurchase are: (i) in the ordinary and usual course of business of the Company; (ii) on normal commercial terms; (iii) on terms that are fair and reasonable; and (iv) in the interests of the Company and its Shareholders as a whole.

An Independent Board Committee will be formed to consider, and to advise the Independent Shareholders on, the Disposal and the proposed Share Repurchase. An independent financial adviser will also be appointed to make recommendations to the Independent Board Committee and the Independent Shareholders in respect of the Disposal and the proposed Share Repurchase.

A circular containing, among other things, further information on the Disposal and the proposed Share Repurchase, the advice of the Independent Board Committee and the recommendation of the Company's independent financial adviser and a notice of the EGM will be despatched to the Shareholders as soon as practicable.

Since the execution and completion of the Repurchase Contract are subject to the satisfaction of certain conditions set out in this announcement, the proposed Share Repurchase may or may not proceed. The Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the securities of the Company.

## **SUSPENSION AND RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares was suspended on the Stock Exchange from 9:30 a.m. on 21 January 2009 pending release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:30 a.m. on 22 January 2009.

## **DEFINITIONS**

“Agreed Value”	HK\$1,600.0 million, being the agreed value of the Site among the parties to the SPA and the MOHCL SPA
“Board”	the board of Directors

“Business Day”	a day (other than a Saturday or Sunday) on which banks are generally open in Hong Kong and Macau for normal business
“Bluebell”	Bluebell Assets Limited, a company incorporated in British Virgin Islands and an indirect wholly-owned subsidiary of STDM
“CGL”	Current Growth Limited, a wholly-owned subsidiary of STDM, being the purchaser under the MOHCL SPA
“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)
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Completion Date”	date of completion of the SPA
“Completion Net Assets of EHIL”	the NAV of EHIL as per the EHIL Completion Account after incorporating (i) the Agreed Value (including the furnishings, fixtures and equipment of the Hotel) and (ii) the agreed value of EHIL’s investment in the corporate membership with a golf club in Macau of approximately HK\$0.7 million
“Completion Net Assets of Skamby”	the NAV of Skamby as per the Skamby Completion Account (disregarding Skamby’s investment in EHIL and the Sale Loan)
“Completion Payment”	HK\$660.0 million, being the Consideration less the Deposit
“Consideration”	HK\$740.0 million, subject to adjustment with reference to the Completion Net Assets of Skamby and 50% of the Completion Net Assets of EHIL
“Deed of Undertaking”	A deed of undertaking executed by STDM and Bluebell in favour of the Company undertaking, subject to satisfaction of certain conditions, to enter into the Repurchase Contract
“Deposit”	HK\$80.0 million, payable by the Purchaser to the Vendor upon signing of the SPA

“Director(s)”	the director(s) of the Company
“Disposal”	disposal of the Sale Share and assignment of the Sale Loan by the Vendor to the Purchaser pursuant to the SPA
“Dr. Ho Concert Party Group”	being parties considered to be acting in concert (as defined under the Takeovers Code) with Dr. Stanley Ho, which include STDM, STS, Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho (daughters) and Mrs. Louise Mok (sister), being family members of Dr. Stanley Ho
“Dr. Stanley Ho”	Dr. Stanley Ho, the Group Executive Chairman of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for purpose of considering and, if thought fit, approving the Disposal and the proposed Share Repurchase
“EHIL”	Excelsior - Hoteis e Investimentos, Limitada, a company incorporated in Macau and owned as to 50% by each of Skamby and MOHCL as at the date of this announcement, which owns 100% interest in the Site
“EHIL Completion Account”	the balance sheet of EHIL as at the Completion Date prepared in accordance with the accounting principles, practices, policies and procedures currently adopted in preparing the accounts of EHIL
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any delegate of the Executive Director
“Final Payment”	an amount equals to the adjustment to the Consideration by reference to EHIL Completion Account and the Skamby Completion Account as described in the section headed “Adjustment of the Consideration” of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Hotel”	comprises of a 5-star hotel, currently with 416 hotel rooms, being operated under the name of Mandarin Oriental Macau
“Independent Board Committee”	the independent committee of the Directors to be established to advise the Independent Shareholders in respect of the Disposal and the proposed Share Repurchase
“Independent Shareholders”	Shareholders (other than the members of the Dr. Ho Concert Party Group and other Directors) who are not required to abstain from voting at the EGM approving the Disposal and the proposed Share Repurchase under the Listing Rules and the Repurchase Code
“Last Trading Day”	20 January 2009, being the last trading day immediately before the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the bank loan borrowed by EHIL which is secured by a mortgage over the Site in favor of the lender, including interest accrued thereon
“Macau”	the Macau Special Administrative Region of the PRC
“Macau Property Registry”	Conservatória do Registo Predial, Macau
“Market Value”	the value of the Site, to be estimated by an independent valuer, for which the Site should on the date of the valuation exchange between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties acted knowledgeably, prudently and without compulsion, and on the basis of the highest and best use (including potential conversion to higher alternative uses via modification or variation of land leases, if any) of the Site which maximises its potential value and net of all expenses, such as demolition costs, construction costs, land premium, which the independent valuer considers would necessarily be incurred in respect of the Site to achieve the highest and best use

“MOHCL”	Mandarin Oriental Holding Company Limited, which owns 50% direct interest in EHIL as at the date of the SPA
“MOHCL SPA”	the conditional agreement dated 20 January 2009 entered into between MOHCL, CGL and EHIL for the sale of 50% equity interest in EHIL by MOHCL to CGL
“Mortgage”	a first fixed legal mortgage in favour of the Vendor with a registration limit of US\$2,000 million to be created within 30 days after completion of the SPA over all of EHIL’s right, title and interest in and to the Site to secure the Purchaser’s obligation to pay the Post-Disposal Appreciation to the Vendor
“Mortgage Documents”	all deeds, documents and instruments required to be executed by EHIL to create the Mortgage
“NAV”	net asset value, being the residual value after subtracting the total liabilities from the total assets of a company
“Post Disposal Appreciation”	an amount equals to 50% of the amount by which the Market Value of the Site exceeds the Agreed Value
“PRC”	the People’s Republic of China
“Repurchase Contract”	the share repurchase contract described in the section headed “The Repurchase Contract” of this announcement
“Repurchase Code”	the Code on Share Repurchases
“Repurchase Share(s)”	up to 263,667,107 Shares, as to 9,860,000 Shares held by STDM and as to 253,807,107 Shares held by Bluebell, representing approximately 11.68% of the existing issued share capital of the Company
“Sale Loan”	a shareholder’s loan owed by Skamby to the Vendor, which amounted to approximately HK\$35.8 million as at the date of the SPA
“Sale Share”	2 shares of HK\$10 each in Skamby, representing its entire issued share capital as at the date of this announcement

“Shares”	shares of HK\$0.25 each in the capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Share Repurchase”	the purchase by the Company of the Repurchase Shares by means of an off-market share repurchase on and pursuant to the terms and conditions of the Repurchase Contract
“Site”	the Hotel together with the piece of land on which it is erected, which is located at 956 to 1110 Avenida da Amizade, Macau
“Skamby”	Skamby Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Vendor as at the date of this announcement, which owns 50% equity interest in EHIL
“Skamby Completion Account”	the balance sheet of Skamby as at the Completion Date prepared in accordance with the accounting principles, practices, policies and procedures currently adopted in preparing the accounts of Skamby
“SPA”	the conditional agreement for the Disposal dated 20 January 2009 entered into between the Vendor (as vendor), the Purchaser (as purchaser), EHIL, the Company (as the Vendor’s guarantor) and STDM (as the Purchaser’s guarantor)
“STDM”	Sociedade de Turismo e Diversões de Macau, S.A., a company incorporated in Macau and a substantial Shareholder and a connected person of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“STS”	Shun Tak Shipping Company, Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“Trading Day”	a day on which the Stock Exchange is open for business of dealing in securities
“Trigger Event”	any of the events and circumstances described under the section headed “Post-Disposal Appreciation of the Site”

“Vendor”	Florinda Hotel Investment Limited, a company incorporated in the British Virgin Islands and an indirectly wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“MOP”	Patacas, the lawful currency of Macau
“US\$”	United States dollars, the lawful currency of the United States of America

This announcement contains translations of MOP amounts into Hong Kong dollars at a rate of MOP1.03 = HK\$1.

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

Hong Kong, 21 January 2009

*As at the date of this announcement, the executive Directors 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. Norman Ho and Mr. Charles Ho.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in the announcement have been arrived at after due and careful consideration and there are no other information not contained in this announcement, the omission of which would make any statement in this announcement misleading.*