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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

**PROPOSED ISSUE BY
JOYOUS KING GROUP LIMITED**

(Incorporated in the British Virgin Islands with limited liability)

OF

**HK DOLLAR DENOMINATED 3.3%
GUARANTEED CONVERTIBLE BONDS DUE 2014
CONVERTIBLE INTO THE SHARES OF SHUN TAK HOLDINGS LIMITED**

Lead Manager



On 17 September 2009, the Company and the Issuer entered into the Subscription Agreement with the Lead Manager, whereby the Lead Manager has agreed to subscribe and pay for, or procure subscribers to subscribe and pay for, the Firm Convertible Bonds to be issued by the Issuer at the Issue Price in an aggregate principal amount of HK\$1,395,000,000. In addition, the Issuer has granted to the Lead Manager an option to subscribe and pay for, or procure subscribers to subscribe and pay for, the Option Convertible Bonds, exercisable on one or more occasions, in whole or in part, at any time on or before the 30th day following the Closing Date up to a further aggregate

principal amount of HK\$155,000,000. The Company agrees to guarantee payment of all sums payable in relation to such Convertible Bonds.

Assuming full conversion of the Convertible Bonds at the initial Conversion Price of HK\$8.18, the Convertible Bonds will be convertible into approximately 189,486,552 Shares (being the aggregate of 170,537,897 Shares to be converted from the Firm Convertible Bonds and 18,948,655 Shares from the Option Convertible Bonds), representing approximately 9.36% of the existing issued share capital of the Company as at the date of this announcement and approximately 8.56% of the issued share capital of the Company as enlarged by the conversion of the Convertible Bonds into Shares. The Conversion Shares will rank *pari passu* and carry the same rights and privileges in all respects with the Shares then in issue on the relevant conversion date.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated under certain circumstances. Please refer to the section headed "Subscription Agreement" below for further information. As the Subscription Agreement may or may not complete, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

The proceeds from the Bond Issue, after deduction of the commissions and the estimated expenses relating to the Bond Issue, are expected to amount to approximately HK\$1,356,400,000 (assuming the Option Convertible Bonds are not issued) or approximately HK\$1,507,900,000 (assuming the Option Convertible Bonds are issued in full), which will be used for general working capital purpose and to finance new investment opportunities.

The Conversion Shares will be issued and allotted pursuant to the General Mandate. The issue of the Convertible Bonds is not subject to the approval of the Shareholders. As at the date of this announcement, there has been no issue of Shares under the General Mandate granted.

The Company and the Issuer intend to apply for the listing of the Convertible Bonds as selectively marketed securities on the Stock Exchange. The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

PROPOSED ISSUE OF CONVERTIBLE BONDS

Subscription Agreement

Date: 17 September 2009

Parties The Company (as Guarantor)

The Issuer, and

The Lead Manager

Subject to the fulfilment of the conditions set out below under the section headed "Conditions Precedent", the Lead Manager has agreed to subscribe and pay for, or procure subscribers to

subscribe and pay for, the Firm Convertible Bonds at the Issue Price. In addition, the Issuer has granted to the Lead Manager an option to subscribe and pay for, or procure subscribers to subscribe and pay for, the Option Convertible Bonds, exercisable on one or more occasions, in whole or in part, at any time on or before the 30th day following the Closing Date up to a further aggregate principal amount of HK\$155,000,000. The Company agrees to guarantee payment of all sums payable in relation to such Convertible Bonds.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Lead Manager and its ultimate beneficial owners are independent of and not connected with the Company and any of its connected persons.

The Convertible Bonds will be offered and sold to persons whose ordinary business involves buying, selling or investing in securities outside the United States in reliance upon Regulation S. None of the Convertible Bonds will be offered to the public in Hong Kong nor will they be placed to any connected persons of the Company.

The Convertible Bonds will be offered and sold to not less than six investors, who, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, are independent of and not connected with the Company and any of its connected persons.

Conditions Precedent

Completion of the Subscription Agreement is conditional upon:

- (i) The Lead Manager being satisfied with the results of its due diligence investigations with respect to the Issuer, the Company and the Group, and the Offering Circular having been prepared in form and content satisfactory to the Lead Manager and having been delivered to the Lead Manager in accordance with the Subscription Agreement;
- (ii) the execution and delivery (on or before the Closing Date) of the Trust Deed and a paying and conversion agency agreement in respect of the Convertible Bonds, each in a form reasonably satisfactory to the Lead Manager, by the respective parties;
- (iii) upon the Publication Date and on the Closing Date and the Option Closing Date (if any), there having been delivered to the Lead Manager letters, in form and substance satisfactory to the Lead Manager, dated the applicable date addressed to the Lead Manager from H.C. Watt & Company Limited, certified public accountants to the Company;
- (iv) at the Closing Date and the Option Closing Date (if any):
 - (a) the representations and warranties of the Issuer in the Subscription Agreement being true, accurate and correct at, and as if made on, such date;
 - (b) the Issuer having performed all of its obligations under the Subscription Agreement to be performed on or before such date; and
 - (c) there having been delivered to the Lead Manager a certificate in the prescribed form, dated as of such date, of a duly authorised officer of the Company to such effect;

- (v) after the date of the Subscription Agreement or, if earlier, the dates as of which information is given in the Offering Circular up to and at the Closing Date and the Option Closing Date (if any), there not having occurred any change (nor any development or event expected to cause a change), in the financial condition, business prospects, results of operations or properties of the Issuer, the Company or the Group, which, in the opinion of the Lead Manager, is material and adverse in the context of the issue and offering of the Convertible Bonds;
- (vi) on or prior to the Closing Date there having been delivered to the Lead Manager copies of all consents and approvals (if any) required in relation to the issue of the Convertible Bonds, the giving of the guarantee and the performance of the Issuer's and the Company's obligations under the Trust Deed, the paying and conversion agency agreement, the guarantee and the Convertible Bonds (including the consents and approvals required from all lenders);
- (vii) on the date of the Subscription Agreement, there having been delivered to the Lead Manager a certificate of no default in the prescribed form, dated as of such date, of a duly authorised officer of each of the Issuer and the Company;
- (viii) the Stock Exchange having agreed to list the Conversion Shares upon conversion of the Convertible Bonds and the Stock Exchange having agreed, subject to any conditions reasonably satisfactory to the Lead Manager, to list the Convertible Bonds (or, in each case, the Lead Manager being reasonably satisfied that such listing will be granted); and
- (ix) on or before the Closing Date and the Option Closing Date (if any), there having been delivered to the Lead Manager certain legal opinions, in form and substance satisfactory to the Lead Manager, dated the Closing Date or the Option Closing Date, as the case may be and such other resolutions, consents, authorities and documents relating to the issue of the Convertible Bonds, as the Lead Manager may reasonably require.

Termination

The Lead Manager may, by notice to the Issuer and the Company given at any time prior to payment of the net subscription monies for the Firm Convertible Bonds or the Option Convertible Bonds (if any) to the Issuer, terminate the Subscription Agreement in any of the following circumstances:

- (i) if there shall have come to the notice of the Lead Manager any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform any of the Issuer's or the Company's undertakings or agreements in the Subscription Agreement;
- (ii) if any of the abovementioned conditions precedent has not been satisfied or waived by the Lead Manager by the Closing Date or the Option Closing Date, as the case may be;
- (iii) if in the opinion of the Lead Manager there shall have been, since the date of the Subscription Agreement, any change, or any development involving a prospective change, in national or international monetary, financial, political or economic conditions (including any disruption to trading generally, or trading in any securities of the Issuer on any stock exchange or in any over-the-counter market) or currency exchange rates or foreign exchange controls such as

would in its view, be likely to prejudice materially the success of the Bond Issue and distribution of the Convertible Bonds or dealings in the Convertible Bonds in the secondary market; and

- (iv) if, in the opinion of the Lead Manager, there shall have occurred any of the following events: (i) a suspension or a material limitation in trading in securities generally on the New York Stock Exchange, the London Stock Exchange plc, the Stock Exchange, the Shanghai Stock Exchange, NASDAQ and/or any other stock exchange on which the Company's securities are traded; (ii) a suspension or a material limitation in trading in the Company's securities on the Stock Exchange and/or any other stock exchange on which the Company's securities are traded (save in circumstances where the suspension continues for less than two consecutive Trading Days and is of a routine nature and is caused by time required by the Stock Exchange to clear the announcement); (iii) a general moratorium on commercial banking activities in the United States, the PRC, Macau, Hong Kong and/or the United Kingdom declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, the PRC, Macau, Hong Kong or the United Kingdom; or (iv) a change or development expected to cause a change in taxation affecting the Issuer, the Company, the guarantee, the Convertible Bonds and the Conversion Shares to be issued upon conversion of the Convertible Bonds or the transfer thereof as would, in its view, be likely to prejudice materially the success of the Bond Issue and distribution of the Convertible Bonds or dealings in the Convertible Bonds in the secondary market; and
- (v) if, in the opinion of the Lead Manager, there shall have occurred any event or series of events (including the occurrence of any local, national or international outbreak or escalation of disaster, hostility, insurrection, armed conflict, act of terrorism, act of God or epidemic) as would in its view be likely to prejudice materially the success of the Bond Issue and distribution of the Convertible Bonds or dealings in the Convertible Bonds in the secondary market.

Subject to the foregoing, the Subscription Agreement is expected to be completed on the Closing Date.

Lock-up Undertaking

Neither the Company nor any of its subsidiaries nor any person acting on any of their behalf will, for a period from the date of the Subscription Agreement and the date which is 90 days after the Closing Date or (if later) the Option Closing Date (both dates inclusive), without the prior written consent of the Lead Manager, (i) issue, offer, sell, pledge, contract to sell, or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Convertible Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Convertible Bonds, the Shares or other instruments representing interests in the Convertible Bonds, the Shares or other securities of the same class as them, (ii) enter into any swaps or other agreement that transfers any of the economic consequences of the ownership of the Shares; (iii) enter into any transaction with the same economic effect as any of the foregoing; or (iv) announce any of the foregoing; save for the issue of the Convertible Bonds, the issue of Conversion Shares upon conversion of the Convertible Bonds and the Shares or options granted pursuant to the Company's publicly disclosed share option schemes and the issue of Shares upon completion of the 2004 Transaction.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

The principal terms of the Convertible Bonds, which will be constituted by the Trust Deed, are summarised as follows:

Issuer

Joyous King Group Limited

Guarantor

Shun Tak Holdings Limited

Principal Amount

The Convertible Bonds comprise:

- (i) the Firm Convertible Bonds in an aggregate principal amount of HK\$1,395,000,000; and
- (ii) the Option Convertible Bonds in an aggregate principal amount of up to HK\$155,000,000.

Issue Price

100% of the principal amount of the Convertible Bonds.

Interest Rate

3.3% per annum. Interest shall be payable semi-annually in arrear in equal instalments on 22 October and 22 April in each year commencing on 22 April 2010.

Conversion Period

Subject to the relevant Bondholder complying with the procedures related to conversion, the Convertible Bonds are convertible into Shares at any time during the period commencing from 22 October 2010 (being the 1st anniversary of the date of issuance of the Convertible Bonds) up to the seventh day prior to the Maturity Date, or if such Convertible Bonds shall have been called for redemption by the Issuer before the Maturity Date, then until a date no later than the seventh day prior to the date fixed for redemption thereof or if notice requiring redemption has been given by the Bondholders, then up to the close of business on the day prior to the giving of such notice. No conversion rights can be exercised during the period prior to 22 October 2010.

Conversion Price

The Convertible Bonds will be convertible into Shares at the initial Conversion Price of HK\$8.18 per Share, subject to adjustments. The initial Conversion Price of HK\$8.18 per Share represents:

- (i) a premium of 24.32% to the closing price of HK\$6.58 per Share as quoted on the Stock Exchange on 17 September 2009 (being the last full Trading Day prior to the release of this announcement);

- (ii) a premium of approximately 25.11% to the average closing price of approximately HK\$6.538 per Share as quoted on the Stock Exchange for the last 5 Trading Days up to and including 17 September 2009;
- (iii) a premium of approximately 27.16% to the average closing price of approximately HK\$6.433 per Share as quoted on the Stock Exchange for the last 10 Trading Days up to and including 17 September 2009; and
- (iv) a premium of approximately 41.08% to the average closing price of approximately HK\$5.798 per Share as quoted on the Stock Exchange for the last 30 Trading Days up to and including 17 September 2009.

The initial Conversion Price was determined after arm's length negotiation between the Company and the Lead Manager with reference to the market price of the Shares.

Assuming full conversion of the Convertible Bonds at the initial Conversion Price of HK\$8.18, the Convertible Bonds will be convertible into approximately 189,486,552 Shares (being the aggregate of 170,537,897 Shares to be converted from the Firm Convertible Bonds and 18,948,655 Shares from the Option Convertible Bonds), representing approximately 9.36% of the existing issued share capital of the Company as at the date of this announcement and approximately 8.56% of the issued share capital of the Company as enlarged by the conversion of the Convertible Bonds into Shares.

Adjustment to Conversion Price

The Conversion Price will be subject to adjustment for, amongst others, consolidation, subdivision or reclassification of Shares, capitalisation of profits or reserves, capital distribution, rights issue of Shares or options over Shares, rights issues of other securities, issues at less than current market price, Change of Control and other usual adjustment events. The Conversion Price may not be reduced so that the Conversion Shares would fall to be issued at a discount to their par value.

If a Change of Control occurs, the Conversion Price will be adjusted according to a ratchet upon exercise of conversion rights within a period of (i) 30 days after the Change of Control; or (ii) if later, 30 days after the date on which notice of Change of Control is given to the Bondholders provided further that if any day of such 30-day period shall fall prior to 22 October 2010, such period shall end on or prior to the 30th day following 22 October 2010. Based on initial Conversion Price and assuming maximum adjustment for a Change of Control, the adjusted Conversion Price will be approximately HK\$6.58 and, assuming full conversion of the Convertible Bonds, will result in the issue of 235,569,682 Shares, representing approximately 11.64% of the existing issued share capital of the Company as at the date of this announcement and approximately 10.43% of the issued share capital of the Company as enlarged by the conversion of the Convertible Bonds into Shares.

Ranking of Conversion Shares

The Conversion Shares will rank *pari passu* and carry the same rights and privileges in all respects with the Shares then in issue on the relevant conversion date.

Transferrability

Other than during the Closed Period and subject to the terms of the paying and conversion agency agreement in respect of the Convertible Bonds, the Convertible Bonds are freely transferable without restrictions.

Maturity Date

Unless previously redeemed, converted or purchased and cancelled in accordance with the terms of the Convertible Bonds, the Issuer will redeem each Convertible Bond at its principal amount together with unpaid accrued interest thereon on 22 October 2014.

Redemption for Taxation Reasons

The Issuer may redeem the Convertible Bonds in whole, but not in part, at their principal amount together with interest accrued to the date fixed for redemption in the event of certain changes in the British Virgin Islands or Hong Kong taxation, with the result that the Issuer or the Company (as the case may be) will become obliged to pay additional amount, subject to limited exceptions.

Redemption at the Option of the Issuer

The Issuer may:

- (i) at any time after 22 October 2012, redeem all outstanding Convertible Bonds at their principal amount together with interest accrued to the date fixed for redemption, provided that the closing price of the Shares for each of the 30 consecutive Trading Days, the last day of which period occurs no more than 30 days prior to the date upon which notice of such redemption is published, was at least 130% of the then Conversion Price in effect on each such Trading Day; or
- (ii) at any time redeem all outstanding Convertible Bonds at their principal amount together with interest accrued to the date fixed for redemption, provided that prior to the date of such notice at least 90% in principal amount of the Convertible Bonds originally issued (including any Option Convertible Bonds) has already been converted, redeemed or purchased and cancelled.

Redemption at the Option of the Bondholders

The Issuer will, at the option of the Bondholder, redeem all or some only of such holder's Convertible Bonds on 22 October 2012 at their principal amount together with interest accrued to the date fixed for redemption.

Redemption for Delisting or Change of Control

Following the occurrence of a Change of Control or delisting of the Company (including suspension of trading of the Shares on the Stock Exchange for more than 30 consecutive Trading Days), the Bondholder will have the right to require the Issuer to redeem all, or some only, of such Bondholder's Convertible Bonds at their principal amount together with interest accrued to the date fixed for redemption.

Event of Default

Upon occurrence of certain events of default specified in the Convertible Bonds, the Convertible Bonds shall become immediately due and payable at their principal amount together with accrued and unpaid interest to the date of redemption.

Form of the Convertible Bonds and Denomination

The Convertible Bonds will be in registered form and in denominations of HK\$100,000 each or integral multiples thereof.

Ranking of the Convertible Bonds

The Convertible Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves.

Listing

Application will be made for the listing of the Convertible Bonds on the Stock Exchange.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company before and after the issue of the Conversion Shares upon conversion of the Firm Convertible Bonds in full and upon conversion of the Convertible Bonds in full are summarised as follows (assuming there is no change of the issued share capital of the Company (other than the issue of Shares upon conversion of the relevant Convertible Bonds and pursuant to the completion of the 2004 Transaction as set out below)):

Shareholders	Note	As at the date of this announcement		After conversion of the Firm Convertible Bonds in full (assuming no issuance of Shares under the 2004 Transaction)		After conversion of the Firm Convertible Bonds in full (assuming no issuance of Shares under the 2004 Transaction)		After conversion of the Firm Convertible Bonds in full and the issuance of Shares under the 2004 Transaction		After conversion of the Firm Convertible Bonds in full and the issuance of Shares under the 2004 Transaction	
		No of Shares	Approx. %	No of Shares	Approx. %	No of Shares	Approx. %	No of Shares	Approx. %	No of Shares	Approx. %
Dr. Stanley Ho	(i)	289,957,750	14.33%	289,957,750	13.21%	289,957,750	13.10%	289,957,750	12.37%	289,957,750	12.28%
Shun Tak Shipping Company, Limited and its subsidiaries	(ii)	308,057,215	15.22%	308,057,215	14.04%	308,057,215	13.92%	308,057,215	13.15%	308,057,215	13.04%
Ms. Pansy Ho	(iii)	239,019,265	11.81%	239,019,265	10.89%	239,019,265	10.80%	239,019,265	10.20%	239,019,265	10.12%
Ms. Daisy Ho	(iv)	143,122,518	7.07%	143,122,518	6.52%	143,122,518	6.47%	143,122,518	6.11%	143,122,518	6.06%
Ms. Maisy Ho	(v)	34,747,353	1.72%	34,747,353	1.58%	34,747,353	1.57%	34,747,353	1.48%	34,747,353	1.47%
Mrs. Louise Mok		342,627	0.02%	342,627	0.02%	342,627	0.02%	342,627	0.01%	342,627	0.01%
Alpha Davis Investments Limited	(vi)	--	0.00%	--	0.00%	--	0.00%	148,883,374	6.35%	148,883,374	6.30%
Sub-total		1,015,246,728	50.17%	1,015,246,728	46.27%	1,015,246,728	45.87%	1,164,130,102	49.68%	1,164,130,102	49.28%
Public											
Bondholders	(vii)	-	0.00%	170,537,897	7.77%	189,486,552	8.56%	170,537,897	7.28%	189,486,552	8.02%
Other public Shareholders		1,008,464,075	49.83%	1,008,464,075	45.96%	1,008,464,075	45.57%	1,008,464,075	43.04%	1,008,464,075	42.69%
Sub-total		1,008,464,075	49.83%	1,179,001,972	53.73%	1,197,950,627	54.13%	1,179,001,972	50.32%	1,197,950,627	50.72%
Total		2,023,710,803	100.00%	2,194,248,700	100.00%	2,213,197,355	100.00%	2,343,132,074	100.00%	2,362,080,729	100.00%

Notes:

- (i) The Shares held by Dr. Stanley Ho include 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) Shun Tak Shipping Company, Limited is a company controlled (within the meaning attributed to it under the Code on Takeovers and Mergers) by Dr. Stanley Ho.
- (iii) The Shares held by Ms. Pansy Ho include 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.
- (iv) The Shares held by Ms. Daisy Ho include 97,820,707 Shares held by St. Lukes Investments Limited, which is wholly owned by Ms. Daisy Ho.
- (v) The Shares held by Ms. Maisy Ho include 23,066,918 Shares held by LionKing Offshore Limited, which is wholly owned by Ms. Maisy Ho.
- (vi) The 148,883,374 unissued Shares represent the Shares to be allotted to Alpha Davis Investments Limited (**ADIL**) upon completion of the acquisition as described in the Company's circular dated 17 December 2004. ADIL 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, 39% by Ms. Daisy Ho and 10% by Ms. Maisy Ho.

- (vii) The number of Shares to be held by Bondholders are calculated on the basis that the Convertible Bonds with an aggregate principal amount of HK\$1,395,000,000 or HK\$1,550,000,000, as the case may be, have been converted in full at the initial Conversion Price of HK\$8.18 into Shares. Assuming that the Bondholders do not and will not hold any Shares, other than the Conversion Shares upon full conversion of the Convertible Bonds.

Save for the Shares to be issued pursuant to completion of the 2004 Transaction and Shares which may be issued pursuant to exercise of share options granted under the share option scheme of the Company, the Company does not have any outstanding options or convertible securities as at the date of this announcement.

USE OF PROCEEDS

The proceeds from the Bond Issue, after deduction of the commissions and the estimated expenses relating to the Bond Issue, are expected to amount to approximately HK\$1,356,400,000 (assuming the Option Convertible Bonds are not issued) or approximately HK\$1,507,900,000 (assuming the Option Convertible Bonds are issued in full), which will be used for general working capital purpose and to finance new investment opportunities.

REASONS FOR AND BENEFITS OF THE ISSUE OF CONVERTIBLE BONDS

In view of the current market condition, the Board considers that the issue of Convertible Bonds would further strengthen the Company's cash flow position.

The terms of the Subscription Agreement and the Convertible Bonds were negotiated on an arm's length basis and the Directors are of the view that the terms of the Subscription Agreement and the Convertible Bonds are fair and reasonable and in the interest of the Group and the Shareholders as a whole.

GENERAL MANDATE TO ISSUE THE CONVERSION SHARES

The Conversion Shares will be issued under the General Mandate, under which the Directors have been authorised by the Shareholders to allot and issue up to 683,106,051 Shares. The Directors have not exercised the power to allot and issue any new Shares pursuant to the General Mandate prior to the date of this announcement.

ISSUE OF SECURITIES AND CAPITAL RAISING ACTIVITIES IN THE PREVIOUS 12-MONTH PERIOD

Save for the Shares issued upon exercise of share options granted under the share option scheme of the Company, the Company has not issued any securities in the previous 12-month period. The Company has not carried out any capital raising activities in the 12 months immediately preceding the date of this announcement.

GENERAL

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.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated under certain circumstances. Please refer to the section headed "Subscription Agreement" above for further information. As the Subscription Agreement may or may not complete, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

TERMS USED IN THIS ANNOUNCEMENT

%	per cent.
2004 Transaction	the transaction as disclosed in the Company's circular dated 17 December 2004
Board	the board of directors of the Company
Bond Issue	the issue of the Convertible Bonds
Bondholder(s)	holder(s) of the Convertible Bonds from time to time
Change of Control	(i) any person or persons (other than one or more Existing Major Shareholders) acting together acquires Control; (ii) the Company consolidates with or merges into or sells or transfers all or substantially all of the assets of the Company to any other person, unless the consolidation, merger, sale or transfer will not result in the other person or persons acquiring Control over the Company or the successor entity; or (iii) one or more persons (other than any person referred to in sub-paragraph (i) above) acquires the legal or beneficial ownership of all or substantially all of the issued share capital of the Company
Closed Period	the period during which the Bondholders may not require the transfer of a Convertible Bond to be registered
Closing Date	22 October 2009, or such later date, not being later than 6 November 2009
Company	Shun Tak Holdings Limited, a company incorporated in Hong Kong with limited liability
connected persons	has the meaning ascribed to it under the Listing Rules

Control	the acquisition or control of more than 50 % of the voting rights of the issued share capital of the Company or the right to appoint and/or remove all or the majority of the members of the Board or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise
Conversion Price	the price per Share at which the Convertible Bonds may be converted into Shares
Conversion Shares	Shares to be allotted and issued by the Company upon conversion of the Convertible Bonds
Convertible Bonds	the Firm Convertible Bonds and the Option Convertible Bonds (if any)
Directors	directors of the Company
Existing Major Shareholders	each of Dr. Stanley Ho, Shun Tak Shipping Company, Limited, Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho and Mrs. Louise Mok and/or any of their associates and/or any trusts established for the benefit of them and/or their immediate family members (“ related trusts ”) and/or companies controlled by them, their immediate family members or related trusts and such companies’ direct or indirect subsidiaries and/or any of their executors and/or any successor corporations under the same Control
Firm Convertible Bonds	the 3.3% guaranteed convertible bonds due 2014 in the aggregate principal amount of HK\$1,395,000,000 to be issued by the Issuer
General Mandate	the general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on 26 May 2009 (“ AGM ”) to allot, issue and deal with Shares not exceeding 20% of the aggregate number of Shares in issue as at the date of the passing of the relevant ordinary resolution passed at the AGM plus the number of Shares repurchased by the Company subsequent to the passing of the said resolution (up to a maximum number equal to 10% of the aggregate number of Shares in issue as at the date of the AGM), as approved by a separate ordinary resolution at the AGM
Group	the Company and its subsidiaries
HK\$	Hong Kong dollar(s), the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the People’s

	Republic of China
Issuer	Joyous King Group Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
Issue Price	with respect to the Firm Convertible Bonds or the Option Convertible Bonds (as the case may be), 100% of the principal amount thereof
Listing Rules	the Rules Governing the Listing of Securities on the Stock Exchange
Lead Manager	Credit Suisse (Hong Kong) Limited
Macau	the Macau Special Administrative Region of the People's Republic of China
Maturity Date	has the meaning ascribed to it under the paragraph headed "Maturity Date" of the section headed "Principal terms of the Convertible Bonds" in this announcement
Offering Circular	the offering circular to be prepared for use in connection with the Bond Issue
Option Convertible Bonds	the additional 3.3% guaranteed convertible bonds due 2014 in the aggregate principal amount of up to HK\$155,000,000 to be issued by the Issuer
Option Closing Date	a date to be specified by the Lead Manager upon exercise of the option to subscribe for, or procure subscribers to subscribe and pay for, all or any of the Option Convertible Bonds, such date shall be no later than 15 business days after exercise of such option
PRC	the People's Republic of China
Publication Date	the date of the Offering Circular
Regulation S	Regulation S of the US Securities Act of 1933 (as amended)
Share(s)	ordinary shares of HK\$0.25 each in the share capital of the Company, which are listed on the Stock Exchange
Shareholder(s)	holder(s) of the Shares
Stock Exchange	The Stock Exchange of Hong Kong Limited
Subscription Agreement	a conditional subscription agreement entered into between the

Company, the Issuer and the Lead Manager on 17 September 2009 in connection with the issue by the Issuer of the Convertible Bonds

Trading Day

a day on which the Stock Exchange is open for business

Trust Deed

a trust deed to be entered into between the Issuer, the Company and The Bank of New York Mellon (as the trustee) constituting the Convertible Bonds

By Order of the Board
SHUN TAK HOLDINGS LIMITED
Pansy Ho
Managing Director

Hong Kong, 18 September 2009

As at the date of this announcement, the executive directors of the Company are Dr. Stanley Ho, Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho, Mr. David Shum and Mr. Michael Ng; 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.