
IMPORTANT

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shun Tak Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



SHUN TAK HOLDINGS LIMITED

信德集團有限公司

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 0242)

PROPOSALS FOR

**(1) GENERAL MANDATES TO
REPURCHASE SHARES AND TO ISSUE SHARES**

AND

(2) RE-ELECTION OF DIRECTORS

LETTER FROM THE CHAIRMAN



SHUN TAK HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 0242)

Directors:

Dr. Stanley Ho (*Group Executive Chairman*)

Sir Roger Lobo**

Mr. Norman Ho**

Mr. Charles Ho**

Mr. Yeh V-Nee**

Dato' Dr. Cheng Yu Tung*

Mrs. Mok Ho Yuen Wing, Louise*

Ms. Pansy Ho (*Managing Director*)

Ms. Daisy Ho (*Deputy Managing Director*)

Dr. Ambrose So

Mr. Patrick Huen

Mr. Anthony Chan

Ms. Maisy Ho

Mr. Shum Hong Kuen, David

Registered Office:

Penthouse 39th Floor,
West Tower, Shun Tak Centre,
200 Connaught Road Central,
Hong Kong.

* Non-Executive Directors

** Independent Non-Executive Directors

30 April 2007

To the shareholders,

Dear Sir or Madam,

PROPOSALS FOR

(1) GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES AND (2) RE-ELECTION OF DIRECTORS

INTRODUCTION

(i) **General Mandates**

Pursuant to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the Hong Kong Companies Ordinance (Cap 32) (the “Companies Ordinance”), listed companies incorporated in Hong Kong may in certain circumstances, if authorized by their articles of association, purchase their own shares.

LETTER FROM THE CHAIRMAN

On 13 June 2006, general mandates were given by the Company to the directors of the Company (the “Directors”) to exercise the powers of the Company to repurchase shares of HK\$0.25 each of the Company (“Shares”) and to issue new Shares. Under the Hong Kong Companies Ordinance and the Listing Rules, these general mandates will lapse at the conclusion of the forthcoming annual general meeting of the Company. Ordinary resolutions will therefore be proposed at the forthcoming annual general meeting of the Company to be held on 14 June 2007 (the “Annual General Meeting”) for the grant of these general mandates.

The purpose of this circular (the “Circular”) is to, inter alia, provide you with information regarding the proposed general mandates to repurchase Shares and to issue new Shares.

(ii) **Re-election of Directors**

In accordance with Articles 73, 77 and 79 of the Company’s Articles of Association (the “Articles”), the Directors retiring by rotation at the Annual General Meeting are Ms. Ho Chiu Fung, Daisy, Dr. So Shu Fai, Ambrose, Mr. Shum Hong Kuen, David, Mr. Ho Tsu Kwok, Charles and Mr. Yeh V-Nee who, being eligible, offer themselves for re-election (the “Re-election”).

The purpose of the Circular is to, inter alia, provide you with information regarding the proposed Re-election.

GENERAL MANDATE TO REPURCHASE SHARES

At the Annual General Meeting, the ordinary resolution set out in item 5 of the notice of the Annual General Meeting will be proposed which, if passed, will give the Directors a general and unconditional mandate to exercise the powers of the Company to repurchase Shares up to a maximum of 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date the resolution is passed (the “Repurchase Mandate”). The Repurchase Mandate shall have effect from the date of passing of the resolution at the Annual General Meeting until the next annual general meeting of the Company, or such earlier period as revoked or varied by ordinary resolution of the shareholders in general meeting.

An explanatory statement as required under the Listing Rules to provide the requisite information regarding the Repurchase Mandate, is set out in Appendix 1 to the Circular.

LETTER FROM THE CHAIRMAN

GENERAL MANDATE TO ISSUE SHARES

At the Annual General Meeting, the ordinary resolutions set out in item 6 of the notice of the Annual General Meeting will be proposed which, if passed, will give the Directors a general mandate to issue new Shares representing up to (i) 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date the resolution is passed plus (ii) the nominal amount of the share capital of the Company repurchased by the Company subsequent to the passing of such resolution (the “Issue Mandate”).

RE-ELECTION OF DIRECTORS

At the Annual General Meeting, the ordinary resolution set out in item 3 of the notice of the Annual General Meeting will be proposed which, if passed, will re-elect Ms. Ho Chiu Fung, Daisy, Dr. So Shu Fai, Ambrose, Mr. Shum Hong Kuen, David, Mr. Ho Tsu Kwok, Charles and Mr. Yeh V-Nee as Directors. Details of the above Directors required to be disclosed by the Listing Rules are set out in Appendix 2 to the Circular.

ANNUAL GENERAL MEETING

The notice of the Annual General Meeting, which contains, inter alia, proposed ordinary resolutions to approve the Repurchase Mandate, the Issue Mandate and the Re-election, is set out in the annual report 2006 of the Company accompanying the Circular.

There is enclosed a form of proxy for use at the Annual General Meeting. You are requested to complete the form of proxy and return it to the registered office of the Company in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the meeting, whether or not you intend to be present at the meeting. The completion and return of the form of proxy will not prevent you from attending and voting in person at the Annual General Meeting should you wish to do so.

RECOMMENDATION

The Directors consider that the grant of the Repurchase Mandate and the Issue Mandate and the Re-election of Directors are in the interests of the Company and its shareholders as a whole and accordingly recommend shareholders at the Annual General Meeting to vote in favor of (i) the ordinary resolutions to be proposed to approve the Repurchase Mandate and the Issue Mandate respectively; and (ii) the ordinary resolution to be proposed to approve the Re-election.

LETTER FROM THE CHAIRMAN

PROCEDURES TO DEMAND POLL

The procedure by which shareholders may demand a poll at the Annual General Meeting is set out in Appendix 3 to the Circular.

RESPONSIBILITY STATEMENT

The Circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

Yours faithfully,
Stanley Ho
Group Executive Chairman

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate and also constitutes the memorandum as required under Section 49BA(3) of the Companies Ordinance.

1. SHARE CAPITAL

As at 23 April, 2007, being the latest practicable date for ascertaining certain information in the Circular (the “Latest Practicable Date”), the issued share capital of the Company comprised 2,188,360,064 Shares. Subject to the passing of the ordinary resolution, and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 218,836,006 Shares (representing 10 per cent. of the issued Shares of the Company as at the Latest Practicable Date).

2. REASONS FOR REPURCHASES

The Directors believe that the flexibility afforded by the Repurchase Mandate would be beneficial to the Company and its shareholders. Trading conditions on the Stock Exchange have sometimes been volatile in recent years and if there are occasions in future when depressed market conditions arise, repurchases of Shares may support the share price and lead to an enhancement of the net asset value of the Company and/or its earnings per Share. It would then be beneficial to those shareholders who retain their investment in the Company since their percentage interest in the assets of the Company would increase in proportion to the number of Shares repurchased by the Company.

3. FUNDING OF REPURCHASES

Repurchases would be funded entirely from the Company’s available cashflow or working capital facilities which will be funds legally available for that purpose and in accordance with the Companies Ordinance and the Memorandum and Articles of Association (“Articles”) of the Company.

The Companies Ordinance provides that the amount of capital repaid in connection with a share repurchase may only be paid from the distributable profits of the company or from the proceeds of a new issue of shares made for that purpose. The Companies Ordinance further provides that the amount of premium payable on repurchase may only be paid out of the distributable profits of the company. Where the repurchased shares were issued at a premium, any premium payable on repurchase may be paid out of the proceeds of a fresh issue of shares made for the purposes of the share repurchase up to certain limits specified by the Companies Ordinance.

There may be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31 December 2006) in the event that the Repurchase Mandate were to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would in the circumstances have a material adverse effect on the working capital requirements or gearing position of the Company as may be determined by the Directors from time to time to be appropriate for the Company.

4. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2006		
April	12.25	9.70
May	11.15	9.05
June	11.25	8.30
July	10.38	9.10
August	10.50	9.18
September	9.70	9.02
October	10.34	8.84
November	12.64	10.30
December	12.52	11.22
2007		
January	12.62	10.20
February	12.30	10.90
March	11.72	10.24

5. GENERAL

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the Companies Ordinance.

If as a result of a share repurchase a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Hong Kong Code on Takeovers and Mergers (the "Takeover Code"). Accordingly, a shareholder or a group of shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

The Directors are not aware of any consequences, which may arise under the Takeover Code as a result of any purchases, which may be made under the Repurchase Mandate. As at the Latest Practicable Date, Shun Tak Shipping Company, Limited, Sociedade de Turismo e Diversões de Macau, S.A. ("STDM") and Dr. Stanley Ho (and his associates) were together beneficially interested in approximately 55.38 per cent. of the issued share capital of the Company. Based on these shareholdings, and in the event that the Directors were to exercise in full the power to repurchase Shares under the Repurchase Mandate, the combined shareholdings of Shun Tak Shipping Company, Limited, STDM and Dr. Stanley Ho (and his associates) would increase to approximately 61.54 per cent. of the issued share capital of the Company.

The Directors have no present intention to exercise the Repurchase Mandate to such an extent that such exercise would result in takeover obligations under the Takeover Code.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates, has any present intention to sell any Shares to the Company under the Repurchase Mandate if such Repurchase Mandate is approved by the shareholders.

No other connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell any Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the shareholders.

6. SHARE PURCHASE MADE BY THE COMPANY

The Company will not purchase its Shares if less than 25 per cent. of its issued share capital is held by the public. The Company had purchased a total of 2,154,000 Shares on the Stock Exchange during the six months immediately preceding the Latest Practicable Date and details of which are as follows:

Date of Repurchases	Number of Shares Repurchased	Price per Share	
		Highest HK\$	Lowest HK\$
6 March 2007	486,000	11.06	10.92
15 March 2007	1,052,000	11.00	10.88
18 April 2007	<u>616,000</u>	11.24	11.14
Total	<u><u>2,154,000</u></u>		

The following are the particulars of the five Directors proposed to be re-elected at the Annual General Meeting:

Ms. Ho Chiu Fung, Daisy, aged 42, is an executive director and a member of the Executive Committee of the Board of Directors of the Company. Ms. Ho joined the Group in 1994 and became the Group's deputy managing director and chief financial officer in 1999. Ms. Ho is also a member of the Remuneration Committee of the Company and a director of a number of the Company's subsidiaries.

Besides participating in the Group's strategic planning and development, Ms. Ho is also responsible for the Group's overall financial activities, as well as property sales and investments.

Ms. Ho is a director of Shun Tak Shipping Company, Limited, Innowell Investments Limited, Megaprospers Investments Limited and Alpha Davis Investments Limited, substantial shareholders of the Company.

Ms. Ho is also an executive committee member of The Real Estate Developers Association of Hong Kong, a member of the Hong Kong Institute of Real Estate Administration, Advisory Council of the Canadian International School of Hong Kong, Hong Kong Advisor to The Dean's Advisory Board of University of Toronto and Governor of The Canadian Chamber of Commerce in Hong Kong.

Ms. Ho holds a Master of Business Administration degree in finance from the University of Toronto and a Bachelor's degree in marketing from the University of Southern California.

Ms. Ho is the daughter of Dr. Stanley Ho, the Group executive chairman and the sister of Ms. Pansy Ho, the managing director of the Company and Ms. Maisy Ho, an executive director of the Company. She is also a niece of Mrs. Mok Ho Yuen Wing, Louise, a non-executive director of the Company. Apart from the aforesaid, Ms. Ho has no other relationship with any director, senior management or substantial or controlling shareholders of the Company.

Ms. Ho has a personal interest in 20,367,028 Shares and 25,592,523 underlying Shares and corporate interest in 97,820,707 Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

As an executive director, Ms. Ho is entitled to receive an annual director's fee of HK\$5,000. Her term of appointment as a director will be in accordance with the Articles.

Dr. So Shu Fai, Ambrose, aged 56, is an executive director of the Company and also a director of a number of the Company's subsidiaries. Dr. So joined the Group in 1975 and has been an executive director of the Company since 1991. Dr. So is an independent non-executive director of Yu Ming Investments Limited, a listed company in Hong Kong. He is a founding honorary director of the University of Hong Kong Foundation for Educational Development and Research. Dr. So is a committee member of the 10th National Committee of the Chinese People's Political Consultative Conference and the Vice President of Chinese Culture Promotion Society.

Dr. So holds a Bachelor's degree in Science from the University of Hong Kong and a Doctoral degree in Management Studies.

Dr. So is the company secretary of Shun Tak Shipping Company, Limited, a substantial shareholder of the Company. Apart from the aforesaid, Dr. So has no other relationship with any director, senior management or substantial or controlling shareholders of the Company.

Dr. So has a personal interest in 8,906,250 Shares and 20,157,740 underlying Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

As an executive director, Dr. So is entitled to receive an annual director's fee of HK\$5,000. His term of appointment as a director will be in accordance with the Articles.

Mr. Shum Hong Kuen, David, aged 52, is an executive director of the Company and a member of the Executive Committee of the Board of Directors of the Company. He is also a director of a number of the Company's subsidiaries. Mr. Shum joined the Group in 1992 and has been an executive director of the Company since 2004. He is responsible for the investment activities of the Group.

Mr. Shum holds a Master's degree in Business Administration from the University of California, Berkeley, USA.

Mr. Shum is a director and shareholder of Sociedade de Turismo e Diversões de Macau, S.A., a substantial shareholder of the Company. Apart from the aforesaid, Mr. Shum has no other relationship with any director, senior management or substantial or controlling shareholders of the Company.

Mr. Shum has a personal interest in 5,000,000 underlying Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

As an executive director, Mr. Shum is entitled to receive an annual director's fee of HK\$5,000. His term of appointment as a director will be in accordance with the Articles.

Mr. Ho Tsu Kwok, Charles, aged 57, is an independent non-executive director and a member of the Remuneration Committee of the Company. Mr. Ho has been appointed as director of the Company with effect from 10 November 2006. Apart from the aforesaid, Mr. Ho does not hold any other position in the Company or any subsidiary of the Company.

Mr. Ho is the chairman and an executive director of Sing Tao News Corporation Limited. He is also the chairman of Hong Kong Tobacco Company Limited. Mr. Ho contributes much to public affairs. He is a member of the Standing Committee of the Chinese People's Political Consultative Conference and an economic consultant to the Shandong Provincial Government of the People's Republic of China ("PRC"). He is also an honorary trustee of Peking University and a trustee of University of International Business and Economics in the PRC. He was previously an independent non-executive director of China Petroleum and Chemical Corporation and China National Aviation Company Limited.

Mr. Ho has no relationship with any director, senior management or substantial or controlling shareholder of the Company.

Mr. Ho does not have any interests in the Company's Shares within the meaning of Part XV of the Securities and Futures Ordinance.

As an independent non-executive director, Mr. Ho is entitled to receive an annual director's fee of HK\$200,000. His term of appointment as a director will be in accordance with the Articles.

Mr. Yeh V-Nee, BA, JD, *American Attorney-at law*, aged 48, is an independent non-executive director and members of the Audit Committee and Remuneration Committee of the Company. Mr. Yeh has been appointed as director of the Company with effect from 1 January 2007. Apart from the aforesaid, Mr. Yeh does not hold any other position in the Company or any subsidiary of the Company.

Mr. Yeh is the executive chairman of Hsin Chong Construction Group Ltd., an independent non-executive director of Arnhold Holdings Limited, Kingway Brewery Holdings Limited and Next Media Limited; and a non-executive director of Yu Ming Investments Limited, all of which are listed companies in Hong Kong. He is also an alternate director to an independent non-executive director of listed companies namely Hysan Development Company Limited and China Travel International Investment Hong Kong Limited (which is a substantial shareholder of the Company's subsidiary, Shun Tak-China Travel Shipping Investments Limited). He is also a co-founder of Value Partners Limited and the non-executive chairman of Argyle Street Management Limited. Mr. Yeh was a council member of The Stock Exchange of Hong Kong Limited ("SEHK") until its merger into Hong Kong Exchanges and Clearing Limited and remained a member of the SEHK's Listing Committee until May 2006. He was a member of the Listing Committee of the China Securities Regulatory Commission from 1999 through 2003. Mr. Yeh also sits on the Takeovers and Mergers Panel, the Takeovers Appeal Committee and the SFC Dual Filing Advisory Group of the Securities and Futures Commission. Mr. Yeh graduated from the School of Law at Columbia University and was admitted a member of the California Bar Association in 1984. Mr. Yeh was a non-executive director of Transpac Industrial Holdings Limited (resigned with effect from 11 August 2006), a listed company in Singapore.

He was also a non-executive director of Ocean Grand Chemicals Holdings Limited ("OGC") a company incorporated in Bermuda and listed in Hong Kong. OGC's major business segments comprised manufacturing, subcontracting and trading of precious metal electroplating chemicals before the appointment of provisional liquidators pursuant to the Order of the High Court dated 24 July 2006. According to the announcement of OGC dated 27 December 2006, the hearing of the petitions to wind up OGC was adjourned to 16 April 2007 and the provisional liquidators' investigations into OGC are continuing. Mr. Yeh resigned from OGC on 26 July 2006.

Mr. Yeh has no relationship with any director, senior management or substantial or controlling shareholder of the Company.

Mr. Yeh does not have any interests in the Company's Shares within the meaning of Part XV of the Securities and Futures Ordinance.

As an independent non-executive director, Mr. Yeh is entitled to receive an annual director's fee of HK\$200,000. As members of the Audit Committee and Remuneration Committee, he shall receive an additional annual allowance of HK\$100,000. His term of appointment as a director will be in accordance with the Articles.

In relation to the re-election of the above Directors, there is no other information required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter which needs to be brought to the attention of the shareholders of the Company.

The following are the procedures by which shareholders may demand a poll pursuant to Article 56 of the Company's Articles of Association:

At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. Subject to the Companies Ordinance, a poll may be demanded by:

- (a) the chairman of the meeting; or
- (b) at least three Members present in person or by proxy and entitled to vote; or
- (c) any Member or Members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all Members having the right to attend and vote at the meeting; or
- (d) any Member or Members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that on a show of hands a resolution has been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be final and conclusive, and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution.