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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 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.

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SHUN TAK HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 242)

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

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE ACQUISITION OF
THE NAM VAN SITE**

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Acquisition”	the acquisition of development right of, and the legal title to, the Nam Van Site by STSL from Many Gain in accordance with the terms and conditions of the Agreement
“Agreement”	the conditional agreement in respect of the Acquisition dated 26 May 2008 entered into between Many Gain (as vendor) and STSL (as purchaser)
“Board”	the board of Directors
“Business Day”	a day other than a Saturday or Sunday on which licensed banks are ordinarily open for the transaction of normal banking business in Hong Kong and Macau
“Company”	Shun Tak Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange
“Comprehensive Development”	a comprehensive mixed-used development which, under the Company’s current plan (subject to Macau Government’s approval and market condition), is expected to include areas for residential, retail, office and hotel purposes
“Consideration”	the consideration for the Acquisition, being HK\$3,145.0 million, inclusive of the Partial Premium
“Director(s)”	the director(s) of the Company
“DSSOPT”	Direcção dos Serviços de Solos, Obras Públicas e Transportes (Macau Public Works Department)
“Escrow Agent”	a firm of lawyers jointly appointed by STSL and Many Gain which shall act as stakeholder to receive the Consideration (or part thereof)
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Latest Practicable Date”	6 June 2008, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion herein
“Land Concession Contract”	the land concession contract in respect of the Comprehensive Development to be prepared and issued by the Macau Government

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	A date falling 12 months from the date of the Agreement
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Many Gain”	Many Gain Investments Limited, a company incorporated in the British Virgin Islands and an independent third party of the Company
“Nam Van Site”	the vacant site located in Nam Van, Macau adjoining to Site D and is generally bounded by Avenida Dr Sun Yat Sen on the north, which is expected to provide a maximum developable GFA of approximately 1,618,150 sq. ft.
“Partial Premium”	all premium and charges payable to the Macau Government in respect of a developable GFA of 500,000 sq. ft. of the Nam Van Site for residential use
“Preliminary Development Plan”	the preliminary plans of the Comprehensive Development including all amendment(s) submitted by the Group to the DSSOPT from time to time
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	shares of HK\$0.25 each in the capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Site D”	the vacant site in Nam Van, Macau, that the Group contracted to purchase from Sai Wu (as defined in the Company’s announcements dated 11 November 2004) and referred to as “the Property” in that announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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
“STSL”	Shun Tak South Lake Investment Limited, a company incorporated in Macau and an indirect wholly owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“sq. ft.”	square feet

LETTER FROM THE BOARD



SHUN TAK HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 242)

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

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. David Shum

Registered office and head office:

Penthouse

39th Floor, West Tower

Shun Tak Centre

200 Connaught Road

Central, Hong Kong

^{*} *Non-executive Directors*

^{**} *Independent non-executive Directors*

10 June 2008

To the Shareholders

Dear Sir or Madam,

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE ACQUISITION OF
THE NAM VAN SITE**

INTRODUCTION

On 27 May 2008, the Board announced that Many Gain (as vendor) and STSL (as purchaser), an indirect wholly owned subsidiary of the Company, entered into the Agreement on 26 May 2008, pursuant to which Many Gain conditionally agreed to sell, and STSL conditionally agreed to purchase, the development right of, and legal title to, the Nam Van Site.

LETTER FROM THE BOARD

The Consideration, inclusive of the Partial Premium, is HK\$3,145.0 million payable in cash and will be financed by the Group's internal resources and banking facilities.

The Nam Van Site is located in Nam Van, Macau, and adjacent to Site D, both of which are currently vacant and have not been developed. In accordance with the information provided by Many Gain, it is expected that the Nam Van Site will provide a maximum developable GFA of 1,618,150 sq. ft.. It is the current intention of the Company, subject to Macau Government's approval and market condition, that all the developable GFA provided by the Nam Van Site will be for residential purpose.

THE AGREEMENT

Date: 26 May 2008

Parties: Many Gain (as vendor)

STSL (an indirect wholly owned subsidiary of the Company and as purchaser)

Many Gain and STSL entered into the Agreement on 26 May 2008, pursuant to which Many Gain conditionally agreed to sell, and STSL conditionally agreed to purchase, the development right of, and legal title to, the Nam Van Site.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of the Agreement, Many Gain and its ultimate beneficial owner are third parties independent of the Company and the connected persons (as defined under the Listing Rules) of the Company.

CONSIDERATION

The Consideration, inclusive of the Partial Premium, is HK\$3,145.0 million payable in cash and will be financed by the Group's internal resources and banking facilities.

The Consideration was agreed after commercial and arm's length negotiations between Many Gain and STSL taking into account (a) a valuation of the Nam Van Site (inclusive of the Partial Premium) of HK\$4,049.0 million as at 21 May 2008 conducted by an independent valuer using the comparison method with reference to prices realised on actual sales or offerings of comparable properties; (b) the development potential of the Nam Van Site; and (c) the general market conditions of Macau's property market. The Consideration is at a discount of approximately 22.3% to the independent valuation.

In accordance with the information provided by Many Gain, it is expected that the Nam Van Site will provide a maximum GFA of 1,618,150 sq. ft.. If the developable GFA of the Nam Van Site permitted under the Land Concession Contract issued by the Macau Government is less than 1,618,150 sq. ft., STSL may, at its absolute discretion:

- (a) reduce the Consideration by HK\$1,943.5 per sq. ft. of the shortfall; or

LETTER FROM THE BOARD

- (b) terminate the Agreement.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

TERMS OF PAYMENT

The Consideration is payable by STSL to Many Gain and / or the Escrow Agent in the following manner:

- (a) approximately HK\$272.9 million, payable to Many Gain upon signing of the Agreement, which will be secured by a bank guarantee in favour of STSL issued within 7 Business Days after the date of the Agreement or such other date as may be approved by STSL in writing;
- (b) approximately HK\$41.6 million, payable to the Escrow Agent upon receipt by STSL of the certificate of incumbency and notarial certificate of Many Gain confirming that the person signing on behalf of Many Gain is duly authorised by Many Gain;
- (c) HK\$314.5 million, payable to the Escrow Agent upon approval by the DSSOPT of the Preliminary Development Plan;
- (d) an amount (if any) computed in accordance with the following formula and payable to the Escrow Agent upon the issuance by the Macau Government of the draft Land Concession Contract with contents having been accepted by the Group:

(35% x Consideration) less the cumulative amount of instalments already paid to Many Gain and the Escrow Agent;
- (e) an amount (if any) computed in accordance with the following formula and payable to the Escrow Agent upon acceptance by the Group of the final draft Land Concession Contract (including the amount of land premium) issued by the Macau Government:

(50% x Consideration) less the cumulative amount of instalments already paid to Many Gain and the Escrow Agent; and
- (f) the balance of the Consideration is payable to Many Gain upon completion of the Acquisition.

Monies kept by the Escrow Agent (including interest accrued thereon) will be released to:

- (a) Many Gain upon completion of the Acquisition; or
- (b) STSL if the Acquisition is not completed in accordance with its terms and conditions.

LETTER FROM THE BOARD

CONDITIONS PRECEDENT

Completion of the Acquisition is conditional upon, among other things, the following conditions having been fulfilled or, if applicable, waived by STSL:

- (a) the Land Concession Contract which shall be acceptable to the Group having been gazetted in Macau; and
- (b) the obtaining of any requisite consent, approval, authority or license from any relevant governmental or quasi-governmental or official body in Macau in respect of the Agreement and any of the matters contemplated by it.

In the event that any of the above conditions precedent is not fulfilled or waived on or before the Long Stop Date (or such other date as may be extended in writing by STSL), STSL has the right to terminate the Agreement.

If STSL exercises its right of termination, any part of the Consideration that has been paid by STSL to Many Gain and the Escrow Agent (together with interest accrued thereon) shall be returned to STSL within seven Business Days after the date of termination.

As at the Latest Practicable Date, none of the conditions precedent set out above has been fulfilled.

COMPLETION

Completion of the Acquisition will take place on the seventh Business Day after fulfillment or waiver of all the conditions precedent of the Agreement, or such other date as agreed by Many Gain and STSL.

INFORMATION ON MANY GAIN AND THE NAM VAN SITE

Many Gain is an investment holding company incorporated in the British Virgin Islands.

The Nam Van Site is located in Nam Van, Macau, and adjacent to Site D, both of which are currently vacant and have not been developed. In accordance with the information provided by Many Gain, it is expected that the Nam Van Site will provide a maximum developable GFA of 1,618,150 sq. ft.. It is the current intention of the Company, subject to Macau Government's approval and market condition, that all the developable GFA provided by the Nam Van Site will be for residential purpose.

The Group already has an interest in Site D by virtue of its entry into of an agreement for the acquisition of Site D as described in the Company's announcement dated 11 November 2004. Subject to approval by the Macau Government of the development plan and market condition, the Company intends to develop together the sites in which the Group has an interest in Nam Van, Macau to create the Comprehensive Development, including the Nam Van Site and Site D.

LETTER FROM THE BOARD

BACKGROUND TO, AND REASONS FOR, THE ACQUISITION

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.

STSL is a company incorporated in Macau and an indirect wholly owned subsidiary of the Company. As at the Latest Practicable Date, it has no business operation other than its holding of the interest in the Agreement.

The Macau economy, in particular the property market, tourism and the gaming industry, has recorded robust growth since the liberalisation of the gaming industry. The Group will continue to focus on its principal businesses such as transportation, hospitality, property development and investment projects particularly in Macau.

The Acquisition not only significantly increases the Group's land bank in a prime area in Macau, but also enhances the value of the Group's property portfolio as a whole by allowing the Group to potentially create an integrated comprehensive mixed-use development at the waterfront and in proximity to other prominent developments such as the Macau Tower Convention & Entertainment Center and One Central.

FINANCIAL EFFECTS OF THE ACQUISITION ON THE GROUP

There will not be any immediate impact on the earnings of the Group as a result of the Acquisition as the Nam Van Site is currently vacant and has not been developed. The Acquisition will not have any substantial effect on the net asset value of the Group whereas the non-current assets of the Group will increase by an amount equivalent to the Consideration upon completion of the Acquisition. Since the Consideration will be financed by both of the Group's internal resources and banking facilities, net debt (bank borrowings less cash and cash equivalents) of the Group will increase by an amount equivalent to the Consideration upon completion of the Acquisition.

GENERAL

The Acquisition constitutes a discloseable transaction of the Company and is subject to announcement and circular requirements under Chapter 14 of the Listing Rules. Your attention is also drawn to the additional information as set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board
Shun Tak Holdings Limited
Dr. Stanley Ho
Group Executive Chairman

1. RESPONSIBILITY STATEMENT

This 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 this 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 in this circular misleading.

2. DISCLOSURE OF INTERESTS

Interests of Directors

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange were as follows:

(a) *Interests of the Directors in the shares and underlying shares of the Company*

Name of Director	Nature of interests	Number of ordinary Shares				Approximate percentage of issued share capital Note (i)
		Personal interests	Note	Corporate interests	Note	
Stanley Ho	Interests in issued shares	250,936,160		39,021,590	(iii)	12.37%
	Interests in unissued shares	—		148,883,374	(iv)	6.35%
	Interests in underlying shares	1,587,300	(ii)	—		0.07%
Roger Lobo	—	—		—		—
Norman Ho	—	—		—		—
Charles Ho	—	—		—		—
Yeh V-Nee	—	—		—		—
Cheng Yu Tung	—	—		—		—
Louise Mok	Interests in issued shares	342,627		—		0.01%
Pansy Ho	Interests in issued shares	25,587,604		191,931,661	(v)	9.28%
	Interests in unissued shares	—		148,883,374	(iv)	6.35%
	Interests in underlying shares	20,157,740	(ii)	—		0.86%
Daisy Ho	Interests in issued shares	25,801,811		97,820,707	(vi)	5.28%
	Interests in unissued shares	—		148,883,374	(iv)	6.35%
	Interests in underlying shares	20,157,740	(ii)	—		0.86%
Ambrose So	Interests in issued shares	8,906,250		87,452	(vii)	0.38%
	Interests in underlying shares	20,157,740	(ii)	—		0.86%

Name of Director	Nature of interests	Number of ordinary Shares				Approximate percentage of issued share capital Note (i)
		Personal interests	Note	Corporate interests	Note	
Patrick Huen	Interests in issued shares	62,500		5,994,849	(viii)	0.26%
	Interests in underlying shares	10,078,870	(ii)	—		0.43%
Anthony Chan	Interests in issued shares	10,310,120		—		0.44%
Maisy Ho	Interests in issued shares	1,630,435		23,066,918	(ix)	1.05%
	Interests in underlying shares	20,157,740	(ii)	—		0.86%
David Shum	Interests in underlying shares	5,000,000	(ii)	—		0.21%

Notes:

- (i) As at the Latest Practicable Date, the total number of issued shares of the Company was 2,343,461,300.
- (ii) These represent the interests in underlying shares in respect of share options granted by the Company, the details of which are stated in section (d) “Share options”.
- (iii) The 39,021,590 shares of Dr. Stanley Ho comprise 11,446,536 shares held by Sharikat Investments Limited (SIL), 24,838,987 shares held by Dareset Limited (DL) and 2,736,067 shares held by Lanceford Company Limited (LCL). SIL, DL and LCL are wholly owned by Dr. Stanley Ho.
- (iv) 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 (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 and 39% by Ms. Daisy Ho.
- (v) The 191,931,661 shares of Ms. Pansy Ho comprise 97,820,707 shares held by Beeston Profits Limited (BPL) and 94,110,954 shares held by Classic Time Developments Limited (CTDL). BPL and CTDL are wholly owned by Ms. Pansy Ho.
- (vi) The 97,820,707 shares of Ms. Daisy Ho are held by St. Lukes Investments Limited, which is wholly owned by Ms. Daisy Ho.
- (vii) The 87,452 shares of Dr. Ambrose So are held by Super Gold Holdings Limited, which is wholly owned by Dr. Ambrose So.
- (viii) The 5,994,849 shares of Mr. Patrick Huen are held by Enhance Gain Investments Limited, which is wholly owned by Mr. Patrick Huen.
- (ix) The 23,066,918 shares of Ms. Maisy Ho are held by LionKing Offshore Limited, which is wholly owned by Ms. Maisy Ho.

(b) *Interests of the Directors in subsidiaries of the Company*

Name of Director	Name of subsidiary	Corporate interest	Percentage of interest
Stanley Ho	Shun Tak Cultural Centre Limited	4 ordinary shares	40.00%

(c) *Interests of the Directors in associated corporations of the Company*

Name of Director	Name of associated corporation	Corporate interest	Percentage of interest
Pansy Ho	Shun Tak & CITS Coach (Macao) Limited	750 shares	15.00%

All the interests disclosed in sections (a) to (c) above represent long position in the shares or underlying shares of the Company, its subsidiaries or its associated corporations.

(d) *Share options*

Grantee	Note	Date of grant	Exercise/ Vesting period	Exercise price per Share	Number of share options as at the Latest Practicable Date
Stanley Ho		25 May 2004	25 May 2004 to 24 May 2014	HK\$3.15	1,587,300
Pansy Ho	(i)	25 May 2004	25 May 2004 to 24 May 2014	HK\$3.15	20,157,740
Daisy Ho	(ii)	25 May 2004	25 May 2004 to 24 May 2014	HK\$3.15	20,157,740
Ambrose So		25 May 2004	25 May 2004 to 24 May 2014	HK\$3.15	20,157,740
Patrick Huen		25 May 2004	25 May 2004 to 24 May 2014	HK\$3.15	10,078,870
Maisy Ho		25 May 2004	25 May 2004 to 24 May 2014	HK\$3.15	20,157,740
David Shum		22 September 2004	22 September 2004 to 21 September 2014	HK\$4.20	5,000,000

Notes:

(i) 10,434,783 share options of Ms. Pansy Ho granted under the 1993 share option scheme were exercised in 2008.

(ii) 5,434,783 share options of Ms. Daisy Ho granted under the 1993 share option scheme were exercised in 2008.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

Interests of substantial Shareholders

(a) *Interests in the Shares*

As at the Latest Practicable Date, so far as is known to the Directors and chief executive of the Company, the following persons (not being a Director or chief executive of the Company) had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Shareholders	Note	Nature of interest	Capacity	Number of ordinary Shares	Approximate percentage of issued share capital <i>Note (i)</i>
Shun Tak Shipping Company, Limited (STS) and its subsidiaries	(ii)	Interests in issued shares	Beneficial owner	308,057,215	13.15%
STDM and its subsidiary	(iii)	Interests in issued shares	Beneficial owner	263,667,107	11.25%
Alpha Davis Investments Limited (ADIL)	(iv)	Interests in unissued shares	Beneficial owner	148,883,374	6.35%
Innowell Investments Limited (IIL)	(iv)	Interests in unissued shares	Interests of controlled corporation	148,883,374	6.35%
Megaprospere Investments Limited (MIL)	(iv)	Interests in unissued shares	Interests of controlled corporation	148,883,374	6.35%
Julius Baer Investment Management LLC		Interests in issued shares	Investment manager	234,956,346	10.03%

Notes:

- (i) As at the Latest Practicable Date, the total number of issued shares of the Company was 2,343,461,300.
- (ii) Dr. Stanley Ho, Dato' Dr. Cheng Yu Tung, Ms. Pansy Ho and Ms. Daisy Ho have beneficial interests in and are directors of STS. Mrs. Louise Mok has beneficial interests in STS.

- (iii) Dr. Stanley Ho, Dato' Dr. Cheng Yu Tung, Mrs. Louise Mok, Ms. Pansy Ho and Mr. David Shum have beneficial interests in STD. Dr. Stanley Ho, Dato' Dr. Cheng Yu Tung (appointed representative of a corporate director), Mrs. Louise Mok, Ms. Pansy Ho and Mr. David Shum are directors of STD.
- (iv) ADIL is entitled to interests in 148,883,374 unissued shares of the Company which will be issued upon completion of the acquisition as described in the Company's circular dated 17 December 2004. ADIL is owned as to 47% by IIL and 53% by 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. Accordingly, the interests of IIL and MIL in the Company duplicate the interests of ADIL in the Company as described above. Dr. Stanley Ho is a director of ADIL and IIL. Ms. Pansy Ho and Ms. Daisy Ho are directors of ADIL, IIL and MIL.
- (v) All the interests disclosed above represent long position in the shares of the Company.

(b) *Interests in other members of the Group*

As at the Latest Practicable Date, so far as is known to the Directors and chief executive of the Company, the following persons (not being a Director or chief executive of the Company) directly or indirectly had an interest in 10% or more of the nominal value of a class of share capital (including any options in respect of such capital) carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of substantial shareholders	Name of subsidiary of the Company	Number of ordinary shares	Approximate percentage of issued share capital
STD	Interdragon Limited	4,000	40.00%
STD	Shun Tak, Serviços Recreativos, S.A.	2,000	20.00%

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no other persons (not being a Director or chief executive of the Company) has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or has any options in respect of such capital.

3. LITIGATION

The Company has received a petition filed by Madam Winnie Ho and Mutual Stand Limited against the Company and three of its directors. The petition sought an order of the high court of Hong Kong that the Company and Interdragon Limited (a non wholly owned subsidiary of the Company) commence proceedings against, among others, STD, in relation to the alleged substantial underpayment of share dividends by STD to the Company and to Interdragon Limited. The Company is considering the matter with its lawyers and the proceedings are continuing today.

Save as disclosed above, as at the Latest Practicable Date, none of the members of the Group was involved in any litigation or claims of material importance and there was no litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

4. DIRECTORS' INTEREST IN COMPETING BUSINESS

The following Directors are considered to have interests in the following businesses, which compete or are likely to compete, either directly or indirectly, with the businesses of the Group:

Dr. Stanley Ho has beneficial interests in Melco International Development Limited, Shun Tak Centre Limited (STC) and STDM, which are also engaged in the businesses of property investment, property development and/or hospitality. Dr. Stanley Ho is a director of STC and STDM. Mrs. Louise Mok, Ms. Pansy Ho and Mr. David Shum are directors of STDM. Dr. Ambrose So is a director of Sociedade de Jogos de Macau S.A., which is also engaged in the business of hospitality.

Dato' Dr. Cheng Yu Tung is a director of New World Development Group, Chow Tai Fook Enterprises Limited, Melbourne Enterprises Limited, Lifestyle International Holdings Limited and the appointed representative of a corporate director of STDM, which are also engaged in the businesses of property investment, property development, property management, transportation services and/or hospitality.

Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho and Mr. David Shum are directors of STC, which is also engaged in the business of property investment.

Ms. Pansy Ho is a director of, and has a beneficial interest in, MGM Grand Paradise (HK) Limited, which is also engaged in the business of hospitality. Ms. Daisy Ho is a director of that company.

Ms. Pansy Ho is a director of Air Macau Company Limited, which is also engaged in transportation services in Macau.

The above-mentioned competing businesses are managed by separate entities with independent management and administration. The Directors are of the view that the Group is capable of carrying on such businesses independently of, and at arm's length from, the businesses of these entities.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective associates had any interest in any company or business which competes or may compete with the business of the Group.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which does not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

6. GENERAL

- (a) The secretary and qualified accountant of the Company is Ms. Tsang Mei Chu, Angela. She is a professional accountant and an associate member of the Hong Kong Institute of Certified Public Accountants. She joined the Company in 1998 and is currently the Group Financial Controller of the Company.

- (b) This circular has been prepared in both English and Chinese. In the case of any discrepancy, the English language text of this circular shall prevail.