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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

REVISION OF 2010 ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTIONS WITH THE MGM GROUP

Reference is made to the announcement of the Company dated 5 March 2008 (the “**Announcement**”) in relation to, among other things, the Master Service Agreement entered into between MGM and the Company which provides a framework for products and/or services which may be provided / demanded by the Group to / from the MGM Group from time to time.

As set out in the Announcement, the annual cap on Revenue in respect of the MGM Transactions for the year ended 31 December 2010 was set at HK\$61 million (the “**Previous 2010 Revenue Cap**”). According to the financial statements of the Company for the year ended 31 December 2010, the aggregate revenue received by the Group from the MGM Group in respect of the MGM Transactions for the year ended 31 December 2010 was approximately HK\$61.6 million, which has exceeded the Previous 2010 Revenue Cap by approximately HK\$0.6million.

The Company has therefore revised the annual cap on Revenue in respect of the MGM Transactions for the year ended 31 December 2010 to HK\$62 million (the “**Revised 2010 Revenue Cap**”), reflecting the actual aggregate revenue under the Master Service Agreement received by the Group from the MGM Group for such year.

MGM is an associate (as defined under the Listing Rules) of Ms. Pansy Ho, who is the Managing Director and a substantial Shareholder of the Company, and is therefore a connected person of the Company under the Listing Rules. The MGM Transactions were carried out on an ongoing basis and therefore constituted continuing connected transactions of the Company.

As the Revised 2010 Revenue Cap exceeds 0.1% but does not exceed 5% of each of the applicable percentage ratios (other than the profits ratio) under the Listing Rules, the MGM Transactions are subject to reporting and announcement requirements but exempt from independent Shareholders' approval requirement according to Chapter 14A of the Listing Rules.

Reference is made to the Announcement in relation to, among other things, the Master Service Agreement entered into between MGM and the Company which provides a framework for products and/or services which may be provided / demanded by the Group to / from the MGM Group from time to time.

Unless otherwise defined, capitalized terms used herein have the same meanings as those adopted in the Announcement.

THE PREVIOUS ANNUAL CAP ON REVENUE

As set out in the Announcement, the annual cap on Revenue in respect of the MGM Transactions for the year ended 31 December 2010 was set at HK\$61 million. Services and products provided by the Group to the MGM Group include passenger ferry, laundry and decoration services and travel products.

REVISION OF REVENUE CAP FOR 2010

According to the financial statements of the Company for the year ended 31 December 2010, the aggregate revenue received by the Group from the MGM Group in respect of the MGM Transactions for the year ended 31 December 2010 was approximately HK\$61.6 million, which has exceeded the Previous 2010 Revenue Cap of HK\$61 million. The Company has therefore revised the annual cap on Revenue for the year ended 31 December 2010 to HK\$62 million.

The Directors (excluding Ms. Pansy Ho, who owns 50% interest in MGM, Dr. Stanley Ho, Ms. Daisy Ho, Ms. Maisy Ho and Mrs. Louise Mok (all being Directors and family members of Ms. Pansy Ho) who have not given any opinion and have abstained from voting on the board resolutions in respect of the MGM Transactions and the Revised 2010 Revenue Cap) consider that the MGM Transactions are in the ordinary and usual course of business of the Group, on normal commercial terms and that the terms of the Master Service Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole and that the Revised 2010 Revenue Cap is fair and reasonable.

LISTING RULES IMPLICATIONS

MGM is a company owned as to 50% by Ms. Pansy Ho, the Managing Director and a substantial Shareholder of the Company. Accordingly, MGM is an associate (as defined under the Listing Rules) of Ms. Pansy Ho and is therefore a connected person of the Company under the Listing Rules. The MGM Transactions contemplated under the Master Service Agreement were carried out on an ongoing basis and constituted continuing connected transactions of the Company.

Pursuant to Rule 14A.36(1) of the Listing Rules, where a previously announced annual cap is exceeded, the Company must re-comply with the reporting, announcement and/or independent Shareholders' approval requirements under Rules 14A.35(3) and 14A.35(4) of the Listing Rules.

As the Revised 2010 Revenue Cap exceeds 0.1% but does not exceed 5% of each of the applicable percentage ratios (other than the profits ratio) as defined in Rule 14.07 of the Listing Rules, the MGM Transactions are subject to the reporting and announcement requirements, but exempt from the independent Shareholders' approval requirements under the Listing Rules. Appropriate disclosure of the transactions will also be made in the annual reports and accounts of the Company in accordance with the Listing Rules.

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.

MGM is a company incorporated in Macau principally engaged in developing and operating casinos, hotels and resort facilities. It owns and operates the Hotel which is located at a prime site in Macau with facilities including hotel rooms, restaurants, event and meeting facilities, spa and casino.

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

Hong Kong, 28 March 2011

As at the date of this announcement, the executive Directors are Dr. Stanley Ho, Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho and Mr. David Shum; the non-executive Directors are Dato' Dr. Cheng Yu Tung, Mrs. Louise Mok and Mr. Michael Ng; and the independent non-executive Directors are Sir Roger Lobo, Mr. Norman Ho and Mr. Charles Ho.