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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

**CONNECTED TRANSACTION
IN RELATION TO**

**THE AWARD OF NC5 FOUNDATION CONTRACT FOR
NOVA CITY PHASE 5**

On 6 January 2012, NTU, an indirect wholly-owned subsidiary of the Company and the developer of the NC5 Mixed-Use Development, entered into the NC5 Foundation Contract with Vibro, an indirect subsidiary of NWD, whereby Vibro is appointed as the contractor for the foundation works of the NC5 Mixed-Use Development. The contract sum of the NC5 Foundation Contract is MOP660 million (approximately HK\$641 million).

As disclosed in the Company's announcement dated 17 December 2010, Vibro was also appointed as the contractor for the foundation works of Nova City Phase 4 by the NC4 Foundation Contract with the contract sum of MOP185 million (approximately HK\$180 million).

GENERAL

Vibro is a connected person of the Company connected at the Company's subsidiary level and therefore the award of the NC5 Foundation Contract constitutes a connected transaction of the Company.

Since one of the percentage ratios as defined in Rule 14.07 of the Listing Rules in respect of the NC5 Foundation Contract exceeds 5%, the entering into of the NC5 Foundation Contract by NTU is subject to the reporting, announcement and independent Shareholders' approval requirements under Rules 14A.45 and 14A.48 of the Listing Rules.

As far as the Company is aware and based on the information available to the Company as of the date of this announcement, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the award of the NC5 Foundation Contract. Written independent Shareholders' approval of the award of the NC5 Foundation Contract has been obtained from a closely allied group of Shareholders who together hold approximately 53.58% of the issued share capital of the Company as at the date of this announcement. An application for a waiver from the requirement to convene a Shareholders' meeting under Rule 14A.43 of the Listing Rules will be made to the Stock Exchange by the Company and it is expected that no Shareholders' meeting will be required.

A circular containing, among other things, further information on the award of NC5 Foundation Contract, the letter of advice from the Independent Board Committee and the letter of advice from the independent financial adviser regarding the terms of the NC5 Foundation Contract and the transactions contemplated thereunder is expected to be despatched to the Shareholders no later than 1 February 2012.

The Board hereby announces the following connected transaction of the Company:

THE AWARD OF NC5 FOUNDATION CONTRACT FOR NOVA CITY PHASE 5

On 6 January 2012, NTU, an indirect wholly-owned subsidiary of the Company and the developer of the NC5 Mixed-Use Development, entered into the NC5 Foundation Contract with Vibro, whereby Vibro is appointed as the foundation works contractor for the NC5 Mixed-Use Development.

Major Terms of the NC5 Foundation Contract

Date: 6 January 2012

Developer: NTU

Foundation Contractor: Vibro

Scope of Works:

Vibro, as the foundation works contractor, shall be responsible, without limitation, for the following:

- i) construction of large diameter bored piles;
- ii) construction of steel sheet piles along the site boundary and installation of king posts; and
- iii) other associated works including relocation of existing hoarding outside site boundary in order for the installation of sheet piles.

The foundation works is expected to be completed in the third quarter of 2013.

Contract Sum:

The contract sum of the NC5 Foundation Contract is MOP660 million (approximately HK\$641 million), payable by NTU to Vibro on a monthly basis based on the progress of works properly executed and of materials and goods delivered on site as certified by the architects appointed by NTU and subject to retention. The contract sum is arrived through a tender process, having regard to the quotations submitted, experience of the tenderers and the quality of work demonstrated in other construction projects undertaken by the tenderers.

*Liquidated and
Ascertained
Damages:*

In case the foundation works cannot be completed on time according to the NC5 Foundation Contract, Vibro shall be charged at a rate of MOP100,000 (approximately HK\$97,087) per day.

Performance Bond:

Vibro's performance of its obligations under the NC5 Foundation Contract is secured by a performance bond issued by a licensed bank in Hong Kong for a sum not less than 10% of the contract sum.

*Parent Company
Guarantee:*

Vibro (H.K.) Limited, being a subsidiary of NWSH and the immediate holding company of Vibro, will execute a guarantee in favour of NTU to guarantee the due and punctual performance of the NC5 Foundation Contract by Vibro.

Conditions Precedent

Completion of the award of the NC5 Foundation Contract is conditional upon the Stock Exchange having waived the requirement for the Company to convene a shareholders' meeting to approve the award of the NC5 Foundation Contract and the transactions contemplated thereunder or, if such waiver is not granted, the approval of the award of the NC5 Foundation Contract and the transactions contemplated thereunder by the independent Shareholders at a shareholders' meeting of the Company.

REASONS FOR THE AWARD OF THE NC5 FOUNDATION CONTRACT

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.

NTU, the developer of the NC5 Mixed-Use Development, is an indirect wholly-owned subsidiary of the Company and is also engaged in property investment and development.

Vibro is engaged in the business of provision of piling and foundation services for building construction and civil engineering projects.

In the tendering processes for the NC5 Foundation Contract, Vibro demonstrated extensive construction experience and foundation services experience in Macau respectively. Its offer price was the most competitive among all the bids received for the NC5 Foundation Contract.

LISTING RULES IMPLICATION

NWD is a connected person of the Company under the Listing Rules by virtue of its indirect ownership of 10% of the issued share capital of Ranex, an indirect non wholly-owned subsidiary of the Company. Vibro is a subsidiary of NWSH, which is in turn a subsidiary of NWD. Therefore Vibro is a connected person of the Company under the Listing Rules and the award of the NC5 Foundation Contract constitutes a connected transaction of the Company.

Since one of the percentage ratios as defined in Rule 14.07 of the Listing Rules in respect of the NC5 Foundation Contract exceeds 5%, the entering into of the NC5 Foundation Contract by NTU is subject to the reporting, announcement and independent Shareholders' approval requirements under Rules 14A.45 and 14A.48 of the Listing Rules.

As far as the Company is aware and based on the information available to the Company as of the date of this announcement, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the award of the NC5 Foundation Contract. Written independent Shareholders' approval of the award of the NC5 Foundation Contract has been obtained from a closely allied group of Shareholders who together hold approximately 53.58% of the issued share capital of the Company as at the date of this announcement:

- (1) Shun Tak Shipping Company, Limited (together with its subsidiaries) holding 308,057,215 Shares (representing approximately 14.18% of the issued share capital of the Company), in which Dr. Stanley Ho and his family have a beneficial interest;
- (2) Hanika Realty Company Limited ("Hanika") holding 399,502,244 Shares (representing approximately 18.39% of the issued share capital of the Company); and
- (3) Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho (all being Directors and holding a beneficial interest in Hanika), together with their respective controlled corporations, holding an aggregate of 456,498,659 Shares (representing approximately 21.01% of the issued share capital of the Company).

An application for a waiver from the requirement to convene a Shareholders' meeting under Rule 14A.43 of the Listing Rules will be made to the Stock Exchange by the Company and it is expected that no Shareholders' meeting will be required. Appropriate disclosure of the NC5 Foundation Contract will be made in the annual reports and accounts of the Company in accordance with the Listing Rules.

GENERAL

The terms of the NC5 Foundation Contract are arrived at in a competitive tendering process. The Board (excluding the Abstained Director and excluding members of the Independent Board Committee whose view will be contained in a circular to be despatched to the Shareholders as soon as practicable after taking into account the advice from the independent financial adviser) are of the view that the award of the NC5 Foundation Contract is : (a) in the ordinary and usual course of business of the Group, (b) on normal commercial terms, (c) on the terms that are fair and reasonable; and (d) in the interests of the Company and its Shareholders as a whole.

The Independent Board Committee has been formed to consider, and to advise the independent Shareholders on, the award of the NC5 Foundation Contract. An independent financial adviser will be appointed to advise the Independent Board Committee and the independent Shareholders on the award of the NC5 Foundation Contract.

A circular containing, among other things, further information on the award of NC5 Foundation Contract, the letter of advice from the Independent Board Committee and the letter of advice from the independent financial adviser regarding the terms of the NC5 Foundation Contract and the transactions contemplated thereunder is expected to be despatched to the Shareholders no later than 1 February 2012.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Abstained Director”	Dato’ Dr. Cheng Yu Tung, being a non-executive Director of the Company, who has not given any opinion and has abstained from voting on the board resolutions approving the award of the NC5 Foundation Contract and the transactions contemplated thereunder in view of his interests in Vibro
“Board”	the board of Directors
“Company”	Shun Tak Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (stock code: 242)
“Director(s)”	the director(s), including independent non-executive director(s), of the Company
“Group”	the Company together with its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board comprising Sir Roger Lobo, Mr. Norman Ho and Mr. Charles Ho, being all the independent non-executive Directors, which has been established to advise the independent Shareholders in respect of the award of the NC5 Foundation Contract

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	The Macau Special Administrative Region of the People’s Republic of China
“NC4 Foundation Contract”	a legally binding letter of award dated 13 December 2010 executed by NTU, as the developer, and Vibro whereby Vibro is appointed as the foundation works contractor for the construction of the NC4 Residential Development
“NC4 Residential Development”	the residential development named Nova City Phase 4 situated at Lote BT35, Taipa, Macau with total gross floor area of approximately 63,279 square metres
“NC5 Foundation Contract”	a legally binding letter of award dated 6 January 2012 executed by NTU, as the developer, and Vibro whereby Vibro is appointed as the foundation works contractor for the construction of the NC5 Mixed-Use Development
“NC5 Mixed-Use Development”	the mixed-use development named Nova City Phase 5 situated at Lote BT2/3, Taipa, Macau with total gross floor area of approximately 275,815 square metres
“NTU”	Nova Taipa-Urbanizações, Limitada, a company incorporated in Macau and an indirect wholly-owned subsidiary of the Company
“NWD”	New World Development Company Limited, the shares of which are listed on the Stock Exchange (stock code: 17)
“NWSH”	NWS Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 659) and an indirect subsidiary of the NWD
“Ranex”	Ranex Investments Limited, an indirect non wholly-owned subsidiary of the Company and owned as to, among others, 51% by the Group and 10% by the NWD Group
“Shares”	Shares of HK\$0.25 each in the capital of the Company

“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vibro”	Vibro (Macau) Limited, a non wholly-owned subsidiary of NWSH
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“MOP”	Macau pacatas, the lawful currency of Macau

This announcement contains conversion of certain MOP amounts into HK\$ amounts at the rate of HK\$1 = MOP1.03.

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

Hong Kong, 6 January 2012

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.