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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>

**PROPOSED RIGHTS ISSUE OF RIGHTS SHARES
AT THE SUBSCRIPTION PRICE OF HK\$2.02 EACH
ON THE BASIS OF 3 RIGHTS SHARES
FOR EVERY 8 EXISTING SHARES
HELD ON THE RECORD DATE**

AND

CLOSURE OF REGISTER OF MEMBERS

Sole Global Coordinator and Sole Bookrunner of the Rights Issue



Joint Underwriters of the Rights Issue



**PLATINUM
Securities**

**MEGAPROSPER
INVESTMENTS
LIMITED**

PROPOSED RIGHTS ISSUE

The Company proposes to raise not less than approximately HK\$1,645.5 million before expenses, and not more than approximately HK\$1,951.8 million before expenses, by way of a rights issue of not less than 814,603,832 Rights Shares and not more than 966,251,994 Rights Shares on the basis of 3 Rights Shares for every 8 existing Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price of HK\$2.02 per Rights Share.

Pursuant to the terms of the Rights Issue, the Qualifying Shareholders will be provisionally allotted 3 Rights Shares in nil-paid form for every 8 existing Shares held on the Record Date. Fractional entitlements will not be allotted but will be aggregated and sold for the benefit of the Company.

The Rights Issue is only available to the Qualifying Shareholders and will not be available to the Non-Qualifying Shareholders.

The estimated net proceeds of the Rights Issue will be not less than approximately HK\$1,609.5 million and not more than approximately HK\$1,908.8 million. The Company intends to apply the net proceeds of the Rights Issue for general working capital purposes and for financing new investment opportunities.

The Rights Issue (other than the Rights Shares to be provisionally allotted to the Undertaking Shareholders) will be severally underwritten by the Joint Underwriters in their respective proportions on the terms and subject to the conditions set out in the Underwriting Agreement.

IRREVOCABLE UNDERTAKINGS OF THE UNDERTAKING SHAREHOLDERS

As at the date of this announcement, the Undertaking Shareholders held an aggregate of 856,000,903 Shares, representing approximately 39.41% of the issued share capital of the Company as at the date of this announcement. Each of the Undertaking Shareholders has provided an irrevocable undertaking to the Company, HSBC and Platinum Securities, that, among other things, subject to the Rights Issue not being terminated, by no later than 4:00 p.m. on the third Business Day after the Rights Issue is open for acceptance, it/she will accept the Rights Shares provisionally allotted to it/her under the Rights Issue and it/she shall lodge and procure the lodgment of the PALs together with payment therefor in accordance with the terms of the Rights Issue Documents.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Underwriting Agreement contains provisions granting the Sole Global Coordinator a right to terminate the Joint Underwriters' obligations on the occurrence of certain events. Please refer to the section headed "Termination of the Underwriting Agreement" below for further details. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed.

Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser. Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Joint Underwriters' right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

The attention of Shareholders and investors is drawn to the section headed "Warning of the risks of dealing in the Shares and the nil-paid Rights Shares" below.

TRADING ARRANGEMENTS

The last day of dealings in the Shares on a cum-rights basis is Friday, 3 February 2012. The Shares will be dealt with on an ex-rights basis from Monday, 6 February 2012. The Rights Shares are expected to be dealt with in their nil-paid form from Wednesday, 15 February 2012 to Wednesday, 22 February 2012 (both days inclusive).

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at 4:30 p.m. on the Record Date, which is Thursday, 9 February 2012. In order to be registered as members of the Company on the Record Date, all transfer documents of the Shares (together with the relevant share certificates) must be lodged for registration with the Registrar at Shops No. 1712-1716, 17th Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by 4:30 p.m. on Tuesday, 7 February 2012. The register of members of the Company will be closed on Wednesday, 8 February 2012 and Thursday, 9 February 2012, during which period no transfer of Shares will be registered.

The latest time for acceptance for and payment for the Rights Shares is expected to be 4:00 p.m. on the Latest Acceptance Date, which is expected to be on Monday, 27 February 2012 or such other date as the Company and the Joint Underwriters may agree in writing. The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. For details of the trading arrangements, please refer to the section headed "Expected Timetable" below.

GENERAL

The Prospectus containing, among other things, further details of the Rights Issue is expected to be despatched by the Company to the Qualifying Shareholders on or before Monday, 13 February 2012. The PALs and the EAFs will also be sent to the Qualifying Shareholders on the same date. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will send copies of the Prospectus to the Non-Qualifying Shareholders and if required by the terms and conditions of the Convertible Bonds and the terms of the Share Option Scheme, to the respective holders of the Convertible Bonds and Share Options for their information only but will not send any PAL or EAF to them.

PROPOSED RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue:	3 Rights Shares for every 8 existing Shares held on the Record Date
Subscription Price:	HK\$2.02 per Rights Share
Number of the existing Shares in issue:	2,172,276,887 as at the date of this announcement

Number of Rights Shares:	Not less than 814,603,832 Rights Shares (assuming no Shares have been allotted and issued pursuant to any exercise of the Conversion and Subscription Rights and the Consideration Shares have not been allotted and issued, in each case on or before the Record Date) and not more than 966,251,994 Rights Shares (assuming Shares have been allotted and issued pursuant to the full exercise of the Conversion and Subscription Rights and the Consideration Shares have been allotted and issued, in each case on or before the Record Date)
Aggregate nominal value of the Rights Share:	Not less than HK\$203.7 million and not more than HK\$241.6 million
Sole Global Coordinator and Sole Bookrunner:	HSBC
Joint Underwriters:	HSBC; Platinum Securities; and Megaprosper
Minimum enlarged issue share capital upon completion of Rights Issue (assuming no Shares (other than the Rights Shares) are allotted and issued before the completion of the Rights Issue):	2,986,880,719 Shares

Maximum enlarged issued share capital upon completion of the Rights Issue (assuming Shares are allotted and issued pursuant to the full exercise of the Conversion and Subscription Rights and the Consideration Shares are allotted and issued, in each case on or before the Record Date, but that otherwise no other Shares (other than the Rights Shares) are allotted and issued before the completion of the Rights Issue):

3,542,923,979 Shares

As at the date of this announcement:

- (1) there were outstanding Convertible Bonds in the aggregate principal amount of HK\$1,550,000,000 convertible into 196,451,204 Shares at the conversion price of HK\$7.89 per Share (subject to adjustments). Assuming the full exercise of the conversion rights attaching to the Convertible Bonds and Shares are allotted and issued pursuant to such exercise on or before the Record Date, a total of 196,451,204 new Shares would fall to be issued, which would result in the issue of 73,669,201 additional Rights Shares;
- (2) there were outstanding Share Options in respect of 59,060,520 Shares, all of which are Vested Shares Options. Assuming the full exercise of the subscription rights attaching to the Vested Share Options and Shares are allotted and issued pursuant to such exercise on or before the Record Date, a total of 59,060,520 new Shares would fall to be issued, which would result in the issue of 22,147,695 additional Rights Shares; and
- (3) there were 148,883,374 unissued Consideration Shares to be allotted to Alpha Davis upon completion of the acquisition described in the Company's circular dated 17 December 2004. Assuming the Consideration Shares are issued on or before the Record Date, this would result in the issue of 55,831,265 additional Rights Shares.

Save for the outstanding Convertible Bonds, Share Options and Consideration Shares as mentioned above, the Company has no other outstanding convertible securities or options in issue or other similar rights which confer any right to convert into or subscribe for Shares as at the date of this announcement.

The aggregate number of nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represent 37.50% of the Company's issued share capital as at the Record Date and approximately 27.27% of the Company's issued share capital as enlarged by the Rights Issue.

Subscription Price

The Subscription Price of HK\$2.02 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the provisional allotment of the Rights Shares under the Rights Issue or, where applicable, application for excess Rights Shares or when a renounee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares. The Subscription Price represents:

- (a) a discount of approximately 35.7% to the closing price of HK\$3.14 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 34.5% to the average of the closing prices per Share as quoted on the Stock Exchange for the five previous consecutive trading days up to and including the Last Trading Day of approximately HK\$3.09;
- (c) a discount of approximately 32.8% to the average of the closing prices per Share as quoted on the Stock Exchange for the ten previous consecutive trading days up to and including the Last Trading Day of approximately HK\$3.00;
- (d) a discount of approximately 28.7% to the theoretical ex-rights price of approximately HK\$2.83 per Share based on the closing price of HK\$3.14 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (e) a discount of approximately 71.2% to the audited consolidated net asset value attributable to the Shareholders as at 31 December 2010 of approximately HK\$7.01 per Share.

Each Rights Share will have a par value of HK\$0.25.

The Subscription Price was determined by the Directors with reference to the market price of the Shares prior to and including the Last Trading Day. Each Qualifying Shareholder will be entitled to subscribe for the Rights Shares at the same Subscription Price in proportion to his/her/its shareholding held on the Record Date.

The Directors consider the terms of the Rights Issue, including the Subscription Price (and the discounts to the relative values as indicated above), to be fair and reasonable and to be in the interests of the Company and the Shareholders as a whole.

Basis of provisional allotment

3 Rights Shares (in nil-paid form) for every 8 existing Shares held by the Qualifying Shareholders on the Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares being applied for.

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully-paid) will rank *pari passu* in all respects with the existing Shares in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Rights Shares in their fully-paid form.

Certificates for the Rights Shares and Refund Cheques

Subject to the fulfilment of the conditions of the Rights Issue as set out below, certificates for all fully-paid Rights Shares are expected to be sent by ordinary post on or around Monday, 5 March 2012 to those persons who have accepted and, where applicable, applied for, and paid for the Rights Shares, at their own risk.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be sent by ordinary post on or around Monday, 5 March 2012 to the applicants at their own risk.

Fractions of the Rights Shares

The Company will not provisionally allot and will not accept application for any fraction of the Rights Shares. No odd lot matching services will be provided. All fractions of the Rights Shares will be aggregated (rounded down to the nearest whole number). All nil-paid Rights Shares arising from such aggregation will be provisionally allotted (in nil-paid form) to the Joint Underwriters or their nominee, and will be sold in the market and the proceeds will be retained by the Company for its own benefit, if a premium (net of expenses) can be obtained. Any unsold Rights Shares arising from such aggregation will be made available for excess application by the Qualifying Shareholders (other than the Undertaking Shareholders).

Application for excess Rights Shares

The Qualifying Shareholders (other than the Undertaking Shareholders) shall be entitled to apply for (a) any unsold Rights Shares which would have been allotted to the Non-Qualifying Shareholders had they been Qualifying Shareholders, (b) any Rights Shares provisionally allotted but not validly accepted by the Qualifying

Shareholders or otherwise subscribed for by renounees or transferees of nil-paid Rights Shares, and (c) any unsold Rights Shares created by aggregating fractions of the Rights Shares. Application may be made only by the Qualifying Shareholders (other than the Undertaking Shareholders) and only by completing an EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar by a time which is currently expected to be 4:00 p.m. on Monday, 27 February 2012 or such later time as may be agreed between the Company and the Joint Underwriters.

The Board will, upon consultation with the Sole Global Coordinator, allocate the excess Rights Shares being applied for at its discretion and on a fair and equitable basis and on the following principles:

- (1) subject to the availability of excess Rights Shares, preference will be given to applications for topping-up odd-lot holdings to whole-lot holdings where it appears to the Directors that such applications are not made with the intention to abuse such mechanism; and
- (2) subject to the availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to the Qualifying Shareholders (other than the Undertaking Shareholders) based on a sliding scale with reference to the number of the excess Rights Shares applied for by them (i.e. the Qualifying Shareholders applying for a smaller number of Rights Shares will be allocated a higher percentage of the excess Rights Shares they have applied for; whereas the Qualifying Shareholders applying for a larger number of Rights Shares will be allocated a lower percentage of the excess Rights Shares they have applied for (although they will receive a greater number of Rights Shares than those applying for a smaller number)).

Investors whose Shares are held by a nominee company (or which are held in CCASS) should note that the Board will regard the nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, investors whose Shares are registered in the name of a nominee (or which are held in CCASS) should note that the aforesaid arrangement for top-up of odd lots in relation to the allocation of the excess Rights Shares will not be extended to them individually. Beneficial owners with their Shares held by a nominee company (or which are held in CCASS) are advised to consider whether they would like to arrange for the relevant Shares to be registered in their own names on or before the Record Date.

Investors whose Shares are held by nominee(s) (or which are held in CCASS) and who would like to have their names registered on the register of members of the Company must lodge all necessary documents with the Registrar for completion of the relevant registration by 4:30 p.m. on Tuesday, 7 February 2012.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. Nil-paid Rights Shares are expected to be traded in board lots of 2,000 (as the Shares are currently traded on the Stock Exchange in board lots of 2,000). No part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed or dealt in or on any other stock exchange.

Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and other applicable fees and charges in Hong Kong.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Qualifying Shareholders

To qualify for the Rights Issue, a Shareholder must (a) be registered as a member of the Company as on the Record Date and (b) not be a Non-Qualifying Shareholder.

In order to be registered as members of the Company on the Record Date, all transfer documents of the Shares must be lodged (together with the relevant share certificate(s)) with the Registrar by 4:30 p.m. (Hong Kong time) on Tuesday, 7 February 2012. The last day of dealings in the Shares on a cum-rights basis is Friday, 3 February 2012. The Shares will be dealt with on an ex-rights basis from Monday, 6 February 2012. The particulars of the Registrar are as follows:

Computershare Hong Kong Investor Services Limited

Shops No. 1712-1716, 17th Floor

Hopewell Centre

183 Queen's Road East

Wanchai, Hong Kong

The Company will send the Rights Issue Documents to the Qualifying Shareholders on the Posting Date. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will send copies of the Prospectus to the Non-Qualifying Shareholders and if required by the terms and conditions of the Convertible Bonds and the terms of the Share Option Scheme, to the respective holders of the Convertible Bonds and Share Options for their information only but will not send any PAL or EAF to them.

Holders of Convertible Bonds who wish to participate in the Rights Issue should exercise the conversion rights attaching to the Convertible Bonds in accordance with the terms and conditions thereof and be registered as holders of the Shares allotted and issued to them pursuant to such exercise with the Company before 4:30 p.m. on Tuesday, 7 February 2012.

Holders of the Vested Share Options who wish to participate in the Rights Issue should exercise the subscription rights attaching to the Vested Share Options in accordance with their respective terms and conditions and be registered as holders of Shares allotted and issued to them pursuant to such exercise with the Company before 4:30 p.m. on Tuesday, 7 February 2012.

The latest time for acceptance of and payment for the Rights Shares is expected to be 4:00 p.m. on the Latest Acceptance Date.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company. If a Qualifying Shareholder does not take up any of his or her entitlement in full under the Rights Issue, his or her proportionate shareholding in the Company will be diluted.

Non-Qualifying Shareholders

If there are Overseas Shareholders on the Record Date, the Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

The Board is making enquiries pursuant to Rule 13.36(2)(a) of the Listing Rules as to the applicable securities legislation of the relevant overseas jurisdictions or the requirements of any relevant regulatory body or stock exchange for the issue of the Rights Shares to the Overseas Shareholders and the results of the enquiries will be included in the Prospectus. If, after making such enquiries, the Board is of the opinion that it would be necessary or expedient, on account of either the legal restrictions under the laws of the relevant jurisdiction or any requirement of the relevant regulatory body or stock exchange in that jurisdiction, not to offer the Rights Shares to any of the Overseas Shareholders, no provisional allotment of nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. Accordingly, the Rights Issue will not be extended to the Non-Qualifying Shareholders and no Rights Shares will be provisionally allotted to them. The Company will, to the extent reasonably practicable, send the Prospectus to the Non-Qualifying Shareholders for their information only on the Posting Date but will not send the PALs or the EAFs to them. The Rights Issue Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. The basis of exclusion of the Non-Qualifying Shareholders, if any, from the Rights Issue will be disclosed in the Prospectus.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence on the Stock Exchange but before the last date for dealings in nil-paid Rights Shares, if a premium (net of expenses) can be obtained. The proceeds of each sale, less expenses and stamp duty, will be paid by the Company to the relevant Non-Qualifying Shareholder(s) pro rata to their shareholdings in the Company as on the Record Date in Hong Kong dollars. The Company will retain individual amounts of less than HK\$100 for the benefit of the Company. Any unsold entitlements of the Non-Qualifying Shareholders will, as referred to above in this announcement, be made available to meet excess applications on EAFs by the Qualifying Shareholders.

Overseas Shareholders and investors whose Shares are held in CCASS and who are resident outside Hong Kong should note that they may or may not be entitled to the Rights Issue subject to the results of the enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. The Company reserves the right to treat as invalid any acceptances of or applications for the Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, such Overseas Shareholders and investors should exercise caution when dealing in the Shares.

Closure of the register of members

The register of members of the Company will be closed on Wednesday, 8 February 2012 and Thursday, 9 February 2012 for determining the entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

UNDERWRITING ARRANGEMENT

Underwriting Agreement

Date: 19 January 2012

Joint Underwriters: HSBC;
Platinum Securities; and
Megaprosper

Number of Underwritten Shares: The Rights Issue (other than the Rights Shares that the Undertaking Shareholders have irrevocably undertaken to take up by way of their respective rights entitlement under the Rights Issue) will be fully underwritten by the Joint Underwriters. Megaprosper has agreed to underwrite the first portion of such number of Rights Shares not taken up by the Shareholders by way of their rights entitlements which is up to the Rights Shares provisionally allotted to but not taken up by STS, Mrs. Louise Mok and Alpha Davis, or their respective nominees (as the case may be) (being an amount not less than 115,649,938 Rights Shares and not more than 171,856,203 Rights Shares), with the balance to be underwritten by HSBC and Platinum Securities. The split of the balance of such Rights Shares to be underwritten by HSBC and Platinum Securities is 75% and 25%, respectively

Joint Underwriters' Commission: 2.75% of the aggregate Subscription Price of the total Underwritten Shares which amounts to not less than approximately HK\$27.4 million and not more than approximately HK\$35.0 million

Subject to the fulfilment of the conditions (or any waiver, as the case may be, by the Sole Global Coordinator) contained in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated prior to the Latest Time for Termination in accordance with the terms thereof, the Joint Underwriters have agreed to subscribe or procure the subscription for all Underwritten Shares that are not taken up by the Qualifying Shareholders.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, HSBC and Platinum Securities and their ultimate holding company are Independent Third Parties.

Listing Rules Implications

Megaprospers is engaged in investment holding and is owned as to 51% by Ms. Pansy Ho, 39% by Ms. Daisy Ho and 10% by Ms. Maisy Ho, each being a Director and is therefore a connected person of the Company.

With a view to maintaining the aggregate shareholding interest held by the Major Shareholders before and after the completion of the Rights Issue, Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho (through Megaprospers) have agreed to underwrite, pursuant to the Underwriting Agreement, the first portion of the Rights Shares not taken up by the Qualifying Shareholders by way of their rights entitlements as equal to the total number of Rights Shares provisionally allotted to STS, Mrs. Louise Mok and Alpha Davis, or to the irrespective nominees (as the case may be). The estimated amount of the commission payable to Megaprospers is approximately 2.75% of the subscription price of the Shares to be underwritten by Megaprospers, which is not less than approximately HK\$6.4 million and not more than approximately HK\$9.5 million. The rate of commission is the same as that as payable to the other Joint Underwriters who are Independent Third Parties.

The Underwriting Agreement entered into between the Joint Underwriters (including Megaproper) and the Company constituted a connected transaction of the Company under Chapter 14A of the Listing Rules. As certain applicable percentage ratio(s) calculated under Rule 14.07 of the Listing Rules is more than 0.1% but less than 5%, the underwriting arrangement between Megaproper and the Company contemplated under the Underwriting Agreement is subject to the reporting and announcement requirements only and is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho (being the shareholders of Megaproper and Directors) have material interests in the transactions contemplated under the Underwriting Agreement and therefore have abstained from voting on the board resolution in relation to the approval of the Underwriting Agreement. Dr. Ho and Mrs. Louise Mok, being associates of Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho, have also abstained from voting on the same board resolution.

The Directors (including the independent non-executive Directors, but excluding Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho, Dr. Ho and Mrs. Louise Mok who have abstained from voting) consider that the transactions contemplated under the Underwriting Agreement are on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions of the Rights Issue and the Underwriting Agreement

The Rights Issue is conditional upon among others (i) the Underwriting Agreement becoming unconditional and not being terminated; and (ii) permission to deal in and listing of all the Rights Shares (in their nil-paid and fully-paid forms) being granted by the Stock Exchange and not being withdrawn or revoked prior to the Latest Time for Termination.

The Underwriting Agreement is conditional upon the following conditions being fulfilled:

- (a) permission to deal in and listing of all the Rights Shares (in their nil-paid and fully-paid forms) being granted (subject only to allotment and despatch of the appropriate documents of title) by the Stock Exchange by no later than the Business Day prior to the commencement of trading of the Rights Shares (in their nil-paid and fully-paid forms respectively) and such permission not being withdrawn or revoked prior to the Latest Time for Termination;

- (b) all relevant consents and approvals being obtained from the regulatory authorities, including the Stock Exchange and the SFC, as the case may require in connection with the Rights Issue by the relevant time that each consent and approval is required;
- (c) compliance with and performance of the obligations of the Company taking place by the times specified in the Underwriting Agreement in connection with the making of the Rights Issue and the allotment and offer of the Rights Shares;
- (d) compliance with and performance of the obligations of the Undertaking Shareholders under the Irrevocable Undertakings by the times specified in the Irrevocable Undertakings; and
- (e) receipt by the Sole Global Coordinator (on behalf of the Joint Underwriters) (in a form and substance satisfactory to Sole Global Coordinator and Platinum Securities) of all relevant documents by the times specified in the Underwriting Agreement.

The Company shall use its reasonable endeavours to procure the fulfillment of the above conditions by the due time and/or date referred to in each case (or if no date is specified, by the Latest Time for Termination) and to procure that each of such conditions is fulfilled in sufficient time so that the Latest Time for Termination falls on or before 5:00 p.m. on 8 March 2012 (or such later date as the Sole Global Coordinator may agree) and in particular shall furnish such information, supply such documents, pay such fees, give such undertaking and do all such acts and things as may reasonably be required by the Sole Global Coordinator and the Stock Exchange in connection with the making of the Rights Issue and the listing of the Rights Shares.

If any of the above conditions shall not have been fulfilled or waived in accordance with the terms of the Underwriting Agreement by the specified time and date, or if the Latest Time for Termination occurs, or will occur, after 5:00 p.m. on 8 March 2012 (or such later date as the Sole Global Coordinator may agree), the Underwriting Agreement shall terminate (save in respect of certain rights and obligations under the Underwriting Agreement) and the Rights Issue will not proceed.

The Sole Global Coordinator shall have the right, in its absolute discretion, by giving notice to the Company on or before the latest time at which, or the latest day on which, any of the above conditions may be fulfilled:

- (a) to extend the deadline for the fulfilment of any such condition by such time or number of days or in such manner as the Sole Global Coordinator may determine;
- (b) to waive such condition (other than conditions (a) and (b) above), and such waiver may be made subject to such terms and conditions as the Sole Global Coordinator may determine.

Lock up provisions under the Underwriting Agreement

The Company has undertaken to the Joint Underwriters that for the period from the date of the Underwriting Agreement and ending on the date which is 90 days from the Closing Date, except with the prior written consent of the Joint Underwriters, the Company will not (except for the Rights Shares, the Consideration Shares, the Shares to be issued pursuant to the exercise of the conversion rights of the Convertible Bonds and the Share Options):

- (a) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares;
- (b) buy back, cancel, retire, reduce, redeem, re-purchase, purchase or otherwise acquire any Shares;
- (c) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in paragraph (a) or (b) above; or
- (d) announce any intention to enter into or effect any such transaction described in paragraph (a), (b) and (c) above.

Termination of the Underwriting Agreement

The Sole Global Coordinator may, by notice in writing to the Company, served prior to the Latest Time for Termination, rescind or terminate the Underwriting Agreement if:

- (a) any breach of any of the warranties or specified undertakings contained in the Underwriting Agreement comes to the knowledge of the Joint Underwriters, or there has been a material breach on the part of the Company of any other provision of the Underwriting Agreement, or there has been a material breach on the part of any of the Undertaking Shareholders of any provision of the Irrevocable Undertakings; or
- (b) any event occurs or matter arises, which, if it had occurred before the date of this Agreement or any of the times on which the warranties are deemed to be given pursuant to the Underwriting Agreement would have rendered any of the warranties untrue, incorrect or misleading; or
- (c) any statement contained in the Prospectus has become or been discovered to be untrue, incorrect, incomplete or misleading in any material respect, or matters have arisen or have been discovered which would, if the Prospectus was to be issued at the time, constitute a material omission therefrom; or
- (d) the Company is required to produce a supplementary prospectus in circumstances where the matter to be disclosed, in the absolute discretion of the Sole Global Coordinator, prejudicially and materially affects or may prejudicially and materially affect the success of the Rights Issue, or makes or may make it inadvisable or inexpedient to proceed with the Rights Issue; or
- (e) there is any adverse change or prospective adverse change in the results of operations, financial or trading prospects, business, shareholders' equity or in the financial or trading position of the Group taken as a whole which, in the sole opinion of the Sole Global Coordinator, is or may be materially adverse in the context of the Rights Issue; or
- (f) permission to deal in and listing of all the Rights Shares (in their nil-paid and fully-paid forms) has been withdrawn by the Stock Exchange; or

(g) there has occurred, happened, come into effect any event, series of events or circumstances concerning or relating to (whether or not foreseeable):

- (i) any change in, or any event or series of events likely to result in any change in, (whether or not permanent) local, national or international financial, political, military, industrial, economic, legal, fiscal, regulatory or securities market matters or conditions or currency exchange rates or exchange controls in or affecting the PRC, Hong Kong, the United States, the European Union or any members or Macau; or
- (ii) any event or circumstance in the nature of force majeure (including, without limitation, any act of government, economic sanctions, strike or lock-out (whether or not covered by insurance), riot, fire, explosion, flooding, earthquake, civil commotion, act or declaration of war, outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), act of God, pandemic, epidemic, declaration of a state of emergency or calamity or crisis, in or affecting the PRC, Hong Kong, the European Union or any of its member or Macau; or
- (iii) the declaration of a banking moratorium by the authorities of the PRC, Hong Kong, United States, the European Union or any of its members or Macau; or
- (iv) any moratorium, suspension or restriction on trading in shares or securities generally on the Stock Exchange, the London Stock Exchange, the New York Stock Exchange or NASDAQ; or
- (v) any suspension of dealings in the Shares for a period of more than three consecutive business days or longer (other than pending publication of announcements in respect of the Rights Issue); or
- (vi) any new law or regulation or any change, or any development involving a prospective change, in existing laws or regulations in Hong Kong, Macau or the PRC,

the effect of which events and circumstances referred to in this paragraph (g), individually or in the aggregate (in the sole opinion of the Sole Global Coordinator after consultation with the Company where reasonably practicable): (1) is or may be materially adverse to, or may prejudicially and materially affect, the Group or its prospects; or (2) is or may be material in the context of the Rights Issue; or (3) prejudicially and materially affects or may prejudicially and materially affect the success of the Rights Issue, or makes or may make it inadvisable or inexpedient to proceed with the Rights Issue.

If prior to the Latest Time for Termination any notice to rescind or terminate the Underwriting Agreement is given by the Sole Global Coordinator, the obligations of all parties thereunder shall terminate forthwith and no party will have any claim against any other for costs, damages, compensation or otherwise (save in respect of certain rights or obligations under the Underwriting Agreement including rights of the parties thereto in respect of any antecedent breach). If the Joint Underwriters exercise such right, the Rights Issue will not proceed.

IRREVOCABLE UNDERTAKINGS OF THE UNDERTAKING SHAREHOLDERS

As at the date of this announcement, the Undertaking Shareholders hold an aggregate of 856,000,903 Shares, representing approximately 39.41% of the issued share capital of the Company.

Each of the Undertaking Shareholders has provided an irrevocable undertaking to the Company, HSBC and Platinum Securities, to, among other things:

- (a) accept or procure the acceptance of the Rights Shares to be provisionally allotted to it/her and to each of its/her nominee(s) (the “Registered Shareholder(s)”) under the Rights Issue in respect of the Shares registered in its/her or the Registered Shareholder(s)’ name as at the date of the undertaking and all of the Rights Shares to be provisionally allotted to it/her and to each Registered Shareholder in respect of any Share that it/her/the Registered Shareholder may acquire pursuant to the exercise of any Share Options prior to the Record Date;
- (b) not to apply and will procure that its/her nominee(s) will not apply for any excess Rights Shares which are not taken up by the Qualifying Shareholders; and
- (c) lodge the PALs in respect of the Rights Shares provisionally allotted to it/her or its/her nominee(s) with the Registrar with payment therefor in accordance with the terms of the Rights Issue Documents by no later than 4:00 p.m. on the third Business Day after the Rights Issue is open for acceptance.

Each of the Undertaking Shareholders has also undertaken that it/she will not and will procure that the Registered Shareholder(s) will not, without the prior written consent of the Company, HSBC and Platinum Securities, among other things:

- (a) transfer or otherwise dispose of (including without limitation the agreement to dispose of, or the creation of any option or derivative) or acquire any Share or any interest therein or any shares or interests in any Registered Shareholder(s) between the date of the undertaking and the Record Date (save pursuant to any exercise of the Share Options); or

- (b) transfer or otherwise dispose of (including without limitation the agreement to dispose of, or the creation of any option or derivative) or acquire (except by taking up Rights Shares provisionally allotted to it/her or any Registered Shareholder pursuant to the Rights Issue and pursuant to the undertaking or acquiring nil-paid rights or submitting excess application forms or acquiring Shares pursuant to any exercise of the Share Options or acquiring Shares in circumstances which do not contravene the Listing Rules and/or the Hong Kong Takeovers Code and which do not render information contained in this announcement and the Prospectus to become untrue, inaccurate or misleading in any material respect (whether by omission or otherwise)), any Share or any interest therein or any shares or interests in any Registered Shareholder(s) between the Record Date and the latest time for acceptance.

Each of the Undertaking Shareholder has further undertaken to the Company, HSBC and Platinum that from the latest time for acceptance until 90 days thereafter, except with the prior written consent of the Company, HSBC and Platinum Securities, it will not and will procure that the Registered Shareholder(s) (whether individually or together and whether directly or indirectly) will not, among other things:

- (i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or Rights Shares provisionally allotted to it/her under the Rights Issue (the “**Lock-Up Shares**”) or any interests therein beneficially owned or held by it/her or its/her controlled companies as at the date of the undertaking or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests;
- (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Lock-Up Shares, whether any such transaction described in paragraphs (i) or (ii) is to be settled by delivery of Shares or such other securities, in cash or otherwise; or
- (iii) announce any intention to enter into or effect any such transaction described in paragraphs (i) or (ii) above.

Other than the Undertaking Shareholders, the Company has not received any undertakings from any other Shareholders to subscribe for all or any of the Rights Shares to be provisionally allotted to them.

EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

Changes in the Shareholding Structure of the Company arising from the Rights Issue

The changes in the shareholding structure of the Company arising from the Rights Issue are as follows:

Scenario 1:

Assuming no Shares (other than the Rights Shares) are allotted and issued before completion of the Rights Issue:

	As at the date of this announcement		Shareholding immediately after completion of the Rights Issue			
	No. of Shares	Approximate % of the total issued Shares	Assuming 0% taken up by the Qualifying Shareholders other than the Undertaking Shareholders		Assuming 100% taken up by the Qualifying Shareholders	
			No. of Shares	Approximate % of the total issued Shares	No. of Shares	Approximate % of the total issued Shares
Major Shareholders						
STS and its subsidiaries	308,057,215	14.18%	308,057,215	10.31%	423,578,668	14.18%
Ms. Pansy Ho (note 1)	275,304,788	12.67%	378,544,082	12.67%	378,544,082	12.67%
Ms. Daisy Ho (note 2)	146,446,518	6.74%	201,363,960	6.74%	201,363,960	6.74%
Ms. Maisy Ho (note 3)	34,747,353	1.60%	47,777,610	1.60%	47,777,610	1.60%
Mrs. Louise Mok	342,627	0.02%	342,627	0.01%	471,112	0.02%
Hanika Realty Company Limited (note 4)	399,502,244	18.39%	549,315,585	18.39%	549,315,585	18.39%
Megaprospers (note 5)	—	0.00%	115,649,938	3.87%	—	0.00%
Sub-total	1,164,400,745	53.60%	1,601,051,017	53.60%	1,601,051,017	53.60%
The Joint Underwriters (excluding Megaprospers) (note 6)	—	0.00%	377,953,560	12.65%	—	0.00%
Other Shareholders	1,007,876,142	46.40%	1,007,876,142	33.74%	1,385,829,702	46.40%
Total	<u>2,172,276,887</u>	<u>100.00%</u>	<u>2,986,880,719</u>	<u>100.00%</u>	<u>2,986,880,719</u>	<u>100.00%</u>

Notes:

- (1) Including Shares held by companies wholly-owned by Ms. Pansy Ho, being a Director and a substantial Shareholder.
- (2) Including Shares held by companies wholly-owned by Ms. Daisy Ho, being a Director.
- (3) Including Shares held by companies wholly-owned by Ms. Maisy Ho, being a Director.
- (4) Hanika Realty Company Limited is owned as to 14.2% by Ms. Pansy Ho and 71.5% by Ranillo Investments Limited. Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho have beneficial interests in Ranillo Investments Limited.

(5) Pursuant to its underwriting obligations. Megaproper is owned as to 51% by Ms. Pansy Ho, 39% by Ms. Daisy Ho and 10% by Ms. Maisy Ho.

(6) Pursuant to their underwriting obligations.

Scenario 2:

Assuming Shares have been allotted and issued before the Record Date pursuant to the full exercise of all outstanding Conversion and Subscription Rights and the issuance of the Consideration Shares, but otherwise no other Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue:

	Assuming as at the date of this announcement, Shares have been allotted and issued pursuant to the full exercise of the Conversion and Subscription Rights and the issuance of the Consideration Shares		Shareholding immediately after completion of the Rights Issue			
			Assuming 0% taken up by the Qualifying Shareholders other than the Undertaking Shareholders		Assuming 100% taken up by the Qualifying Shareholders	
	<i>No. of Shares</i>	<i>Approximate % of the total issued Shares</i>	<i>No. of Shares</i>	<i>Approximate % of the total issued Shares</i>	<i>No. of Shares</i>	<i>Approximate % of the total issued Shares</i>
Major Shareholders						
STS and its subsidiaries	308,057,215	11.96%	308,057,215	8.69%	423,578,668	11.96%
Ms. Pansy Ho (note 1)	285,462,528	11.08%	392,510,975	11.08%	392,510,975	11.08%
Ms. Daisy Ho (note 2)	158,604,258	6.16%	218,080,853	6.16%	218,080,853	6.16%
Ms. Maisy Ho (note 3)	54,905,093	2.13%	75,494,502	2.13%	75,494,502	2.13%
Mrs. Louise Mok	1,342,627	0.05%	1,342,627	0.04%	1,846,112	0.05%
Hanika Realty Company Limited (note 4)	399,502,244	15.50%	549,315,585	15.50%	549,315,585	15.50%
Alpha Davis (note 5)	148,883,374	5.78%	148,883,374	4.20%	204,714,639	5.78%
Megaproper (note 6)	—	0.00%	171,856,203	4.85%	—	0.00%
Sub-total	1,356,757,339	52.66%	1,865,541,334	52.66%	1,865,541,334	52.66%
The Joint Underwriters (excluding Megaproper) (note 7)	—	0.00%	457,467,999	12.91%	—	0.00%
Other Shareholders	1,219,914,646	47.34%	1,219,914,646	34.43%	1,677,382,645	47.34%
Total	<u>2,576,671,985</u>	<u>100%</u>	<u>3,542,923,979</u>	<u>100%</u>	<u>3,542,923,979</u>	<u>100%</u>

Notes:

- (1) Including Shares held by companies wholly-owned by Ms. Pansy Ho, being a Director and a substantial Shareholder.
- (2) Including Shares held by companies wholly-owned by Ms. Daisy Ho, being a Director.
- (3) Including Shares held by companies wholly-owned by Ms. Maisy Ho, being a Director.
- (4) Hanika Realty Company Limited is owned as to 14.2% by Ms. Pansy Ho and 71.5% by Ranillo Investments Limited. Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho have beneficial interests in Ranillo Investments Limited.

- (5) Alpha Davis is owned as to 47% by Innowell and 53% by Megaprospers.
- (6) Pursuant to its underwriting obligations. Megaprospers is owned as to 51% by Ms. Pansy Ho, 39% by Ms. Daisy Ho and 10% by Ms. Maisy Ho.
- (7) Pursuant to their underwriting obligations.

RIGHTS ISSUE TIMETABLE

Expected Timetable

Last day for dealings in the Shares on a cum-rights basis.....	Friday, 3 February 2012
Commencement of dealings in the Shares on an ex-rights basis	Monday, 6 February 2012
Latest time for lodging transfer documents of the Shares in order to qualify for the Rights Issue	4:30 p.m. on Tuesday, 7 February 2012
Closure of the register of members for determining entitlements under the Rights Issue	Wednesday, 8 February 2012 to Thursday, 9 February 2012
Record Date for determining entitlements under the Rights Issue	Thursday, 9 February 2012
Despatch of the Rights Issue Documents	Monday, 13 February 2012
First day for dealings in nil-paid Rights Shares	Wednesday, 15 February 2012
Latest time for splitting of nil-paid Rights Shares	4:30 p.m. on Friday, 17 February 2012
Last day for dealings in nil-paid Rights Shares	Wednesday, 22 February 2012
Latest time for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares	4:00 p.m. on Monday, 27 February 2012
Rights Issue expected to become unconditional	4:00 p.m. on Thursday, 1 March 2012

Announcement of results of the Rights Issue to be published
on the respective websites of the Stock Exchange and
the Company on or beforeFriday, 2 March 2012

Certificates for the Rights Shares expected to be
despatched on or aroundMonday, 5 March 2012

Refund cheques in respect of wholly or partially
unsuccessful applications for excess Rights Shares
expected to be posted on or aroundMonday, 5 March 2012

Commencement of dealings in fully-paid
Rights Shares9:00 a.m. on
Wednesday, 7 March 2012

Note: All times and dates in this announcement refer to Hong Kong local times and dates. Shareholders should note that the dates or deadlines specified in the expected timetable of the Rights Issue as set out above, and in other parts of this announcement, are indicative only and may be varied by agreement between the Company and the Joint Underwriters. In the event that any special circumstances arise, the Board may extend, or make adjustment to, the timetable if it considers appropriate. Any such extension or adjustment to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

Effect of bad weather on the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares

The latest time for acceptance of and payment for Rights Shares and for application and payment for excess Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a black rainstorm warning is in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date, the latest time of acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 12:00 noon and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on the Latest Acceptance Date, the dates mentioned in the "Expected Timetable" section above may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

Warning of the risks of dealing in the Shares and the nil-paid Rights Shares

The Shares are expected to be dealt in on an ex-rights basis from Monday, 6 February 2012. Dealings in the Rights Shares in nil-paid form are expected to take place from Wednesday, 15 February 2012 to Wednesday, 22 February 2012 (both days inclusive). The Rights Issue is conditional upon the (i) Underwriting Agreement becoming unconditional and not being terminated; and (ii) permission to deal in and listing of all the Rights Shares (in their nil-paid and fully-paid forms) being granted by the Stock Exchange and not being withdrawn or revoked prior to the Latest Time for Termination. If the conditions of the Rights Issue are not fulfilled or waived, including the termination of the Underwriting Agreement by the Joint Underwriters, the Rights Issue will not proceed.

Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (including the date on which the Joint Underwriters' right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

Reasons for the Rights Issue

The Directors believe that it is in the best interest of the Company and the Shareholders as a whole to enlarge the capital base of the Company through the Rights Issue in order to support the continuing development of the Group's existing business activities. The Rights Issue would enable the Company to carry out a fund raising exercise while the Qualifying Shareholders are given the opportunity to maintain their respective pro rata shareholding interests in the Company by participating in the Rights Issue. **However, those Qualifying Shareholders who do not take up in full the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.**

Use of Proceeds

The estimated expenses in relation to the Rights Issue (including the underwriting commission, printing, registration, legal, accounting and documentation charges) are estimated to be not less than approximately HK\$36.0 million and not more than approximately HK\$43.0 million, and will be payable by the Company. The net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares is expected to be approximately HK\$1.98.

The estimated net proceeds of the Rights Issue will be approximately HK\$1,609.5 million after the deduction of all estimated expenses of HK\$36.0 million (assuming that no Shares have been allotted or issued on or before the Record Date pursuant to any exercise of the Conversion and Subscription Rights and the issuance of the Consideration Shares), or approximately HK\$1,908.8 million after the deduction of all estimated expenses of HK\$43.0 million (assuming that Shares have been allotted or issued on or before the Record Date pursuant to full exercise of all the Conversion and Subscription Rights and the issuance of the Consideration Shares).

The Company intends to apply the net proceeds of the Rights Issue for general working capital purposes and for financing new investment opportunities.

EQUITY FUND RAISING OF THE COMPANY

The Company has not engaged in or initiated any equity fund raising exercises or any rights issue exercise during the past 12 months immediately before the date of this announcement.

SHAREHOLDERS' APPROVAL NOT REQUIRED

There is no requirement under the Listing Rules for the Rights Issue to be approved by the Shareholders in general meeting.

POSSIBLE ADJUSTMENT TO THE CONVERTIBLE BONDS AND SHARE OPTIONS

As a result of the Rights Issue, the conversion price of the outstanding Convertible Bonds and the exercise price of the outstanding Share Options may be adjusted in accordance with the terms and conditions of the Convertible Bonds and the Share Option Scheme respectively. The Company will make further announcements on the appropriate adjustments (if any) and the date it is to take effect in due course.

INFORMATION OF THE COMPANY

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.

GENERAL

The Prospectus containing, among other things, further details of the Rights Issue is expected to be despatched by the Company to the Qualifying Shareholders on or before Monday, 13 February 2012. The PALs and the EAFs will also be sent to the Qualifying Shareholders on the same date. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will send copies of the Prospectus to the Non-Qualifying Shareholders and, if required by the terms and conditions of the Convertible Bonds and the terms of the Share Option Scheme, to the respective holders of the Convertible Bonds and Share Options for their information only but will not send any PAL or EAF to them.

DEFINITIONS

Unless the context otherwise requires, terms used in this announcement shall have the following respective meanings:

“Alpha Davis”	Alpha Davis Investments Limited, a company incorporated in the British Virgin Islands, owned as to 47% by Innowell and 53% by Megaprosper;
“associate(s)”	has the same meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Business Day”	any weekday (other than a Saturday or a day on which a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.) on which banks generally are open for business in Hong Kong;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;

“Closing Date”	such date falling on the third Business Day after the latest time for acceptance or such later date as the Company and the Sole Global Coordinator may agree in writing;
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
“Company”	Shun Tak Holdings Limited, a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed and traded on the Stock Exchange (Stock Code: 242);
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules;
“Consideration Shares”	148,883,374 new Shares (subject to adjustment) to be allotted and issued to Alpha Davis upon completion of the acquisition described in the Company’s circular dated 17 December 2004;
“controlling shareholder”	has the same meaning ascribed to it under the Listing Rules;
“Conversion and Subscription Rights”	the conversion rights attaching to the Convertible Bonds and the subscription rights attaching to the Vested Share Options;
“Convertible Bonds”	the HK dollar denominated 3.3% guaranteed convertible bonds due 2014 of an aggregate principal amount of HK\$1,550,000,000 issued by Joyous King Group Limited, a wholly-owned subsidiary of the Company, in 2009, such Convertible Bonds being listed on the Stock Exchange (Stock Code: 4313);
“Director(s)”	the director(s) of the Company;
“Dr. Ho”	Dr. Stanley Ho, the Group Executive Chairman and an executive Director
“EAF(s)”	the excess application form(s) to be issued to the Qualifying Shareholders in respect of applications for excess Rights Shares;

“Group”	the Company and its subsidiaries;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, a registered institution under the SFO, registered to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong);
“Independent Third Party(ies)”	third party(ies) independent of the Company and any connected person(s) of the Company and not connected person(s) of the Company;
“Innowell”	Innowell Investments Limited, a company incorporated in the British Virgin Islands, which is wholly-owned by Dr. Ho;
“Irrevocable Undertakings”	the irrevocable undertakings dated 19 January 2012 and given by the Undertaking Shareholders to the Company, HSBC and Platinum Securities as described in the paragraph headed “Irrevocable Undertakings of the Undertaking Shareholders” in this announcement;
“Joint Underwriters”	HSBC, Platinum Securities and Megaprospers
“Last Trading Day”	Thursday, 19 January 2012, being the last trading day of the Shares on the Stock Exchange immediately prior to the publication of this announcement;
“Latest Acceptance Date”	Monday, 27 February 2012, being the last day for acceptance and payment of the Rights Shares, or such other date as the Company and the Sole Global Coordinator may agree in writing;

“latest time for acceptance”	4:00 p.m. on the Latest Acceptance Date;
“Latest Time for Termination”	4:00 p.m. on the third Business Day after the latest time for acceptance or such later date as the Company and the Sole Global Coordinator may agree in writing;
“Listing Committee”	has the same meaning ascribed to it under the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Major Shareholders”	the Undertaking Shareholders, Mrs. Louise Mok and STS, which in aggregate, hold approximately 53.6% shareholding interest in the Company as at the date of this announcement;
“Megaprospers”	Megaprospers Investments Limited, a company incorporated in the British Virgin Islands, which is owned as to 51% by Ms. Pansy Ho, 39% by Ms. Daisy Ho and 10% by Ms. Maisy Ho;
“Non-Qualifying Shareholders”	the Overseas Shareholders to whom the Directors, after making relevant enquiries, consider it necessary or expedient not to offer the Rights Shares on account of either the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction;
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company as on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong;
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in respect of their assured entitlements under the Rights Issue;
“Platinum Securities”	Platinum Securities Company Limited, a licensed corporation under the SFO, to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities;

“Posting Date”	Monday, 13 February 2012 or such other date as the Joint Underwriters may agree in writing with the Company for the despatch of the Rights Issue Documents;
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue;
“Qualifying Shareholders”	the Shareholders whose names appear on the register of members of the Company as on the Record Date, other than the Non-Qualifying Shareholders;
“Record Date”	Thursday, 9 February 2012, being the record date to determine entitlements to the Rights Issue (or such other date as the Sole Global Coordinator may agree in writing with the Company);
“Registrar”	Computershare Hong Kong Investor Services Limited, the share registrar of the Company at Shops No.1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong;
“Rights Issue”	the proposed issue by the Company of the Rights Shares at the Subscription Price on the basis of 3 Rights Shares for every 8 existing Shares held on the Record Date payable in full on acceptance;
“Rights Issue Documents”	the Prospectus, the PAL(s) and the EAF(s);
“Rights Share(s)”	the new Share(s) to be allotted and issued in respect of the Rights Issue;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

“Share(s)”	ordinary share(s) of nominal value of HK\$0.25 each in the capital of the Company;
“Shareholder(s)”	the holder(s) of the Share(s);
“Share Option(s)”	the option(s) to subscribe for Share(s) granted under the Share Option Scheme;
“Share Option Scheme”	the share option scheme adopted by the Company on 31 May 2002;
“Sole Global Coordinator”	HSBC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“STS”	Shun Tak Shipping Company, Limited, a company incorporated in Hong Kong, together with its subsidiaries, which in aggregate holds 308,057,215 Shares, representing approximately 14.18% total issued share capital of the Company, as at the date of this announcement;
“Subscription Price”	the subscription price of HK\$2.02 per Rights Share;
“subsidiary”	has the same meaning ascribed to it under the Listing Rules;
“taken up/take up/taking up”	the taking up of those Rights Shares and/or the Underwritten Shares in respect of which the relevant PALs and/or EAFs have been lodged and accompanied by cheques or other remittances for the full amount payable in respect thereof;
“Undertaking Shareholders”	Hanika Realty Company Limited, Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho
“Underwriting Agreement”	the underwriting agreement dated 19 January 2012 and entered into between the Company and the Joint Underwriters in relation to the Rights Issue;
“Underwritten Shares”	the Rights Shares, other than the Rights Shares to be provisionally allotted to the Undertaking Shareholders, underwritten by the Joint Underwriters pursuant to the terms of the Underwriting Agreement;

“United States” or “US”	the United States of America (including its territories and dependencies, any state in the US and the District of Columbia);
“Vested Share Options”	Share Options which have validly vested to the holders thereof entitling them to subscribe for Shares on or before the Record Date (being Share Options in respect of 59,060,520 Shares as at the date of this announcement); and
“%”	per cent or percentage.

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

Hong Kong, 19 January 2012

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 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.