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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 INCREASE IN AUTHORIZED SHARE CAPITAL
AND
PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ARTICLES OF ASSOCIATION
AND
ADOPTION OF NEW MEMORANDUM AND ARTICLES OF
ASSOCIATION OF THE COMPANY**

The Board proposes to increase the Authorized Share Capital of the Company from HK\$1,000,000,000 to HK\$1,500,000,000 by the creation of an additional 2,000,000,000 Shares.

The Board also proposes to amend the M&A and to adopt the New M&A.

The increase in Authorized Share Capital is subject to approval by the Shareholders by way of ordinary resolution and the amendments to the M&A and the adoption of the New M&A are subject to approval by Shareholders by way of special resolutions, all to be proposed at the AGM.

A circular containing, among other things, details of the (i) proposed increase in Authorized Share Capital; (ii) proposed amendments to the M&A; and (iii) adoption of the New M&A together with a notice of AGM and the related proxy form will be despatched to the Shareholders as soon as practicable.

PROPOSED INCREASE IN AUTHORIZED SHARE CAPITAL

As at the date hereof, the authorized share capital (the “**Authorized Share Capital**”) of Shun Tak Holdings Limited (the “**Company**”) is HK\$1,000,000,000 comprising 4,000,000,000 ordinary shares of HK\$0.25 each in the share capital of the Company (the “**Shares**”), of which a total of 2,986,880,719 Shares have been issued. The Company has an outstanding principal amount of convertible bonds of HK\$1,550,000,000 and the maximum number of Shares that will be issued upon conversion of all the outstanding convertible bonds at the adjusted conversion price of HK\$7.17 will be 216,178,521 Shares. In addition, the Company has an outstanding 66,911,546 share options that, upon full exercise, will entitle the option holders to receive a total of 66,911,546 Shares of the Company.

To allow greater flexibility to accommodate the future expansion and growth of the business of the Company, the board of directors (the “**Board**”) of the Company proposes to increase the Authorized Share Capital of the Company to HK\$1,500,000,000 by creation of an additional 2,000,000,000 Shares.

The proposed increase in Authorized Share Capital is subject to the approval of the shareholders of the Company (“**Shareholders**”) by way of ordinary resolution at the forthcoming annual general meeting (the “**AGM**”) to be held on 6 June 2012.

PROPOSED AMENDMENTS TO THE M&A AND ADOPTION OF THE NEW M&A

In light of the recent amendments of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and of the Companies Ordinance (Cap.32), the Board proposes that certain amendments will be made to the existing memorandum and articles of association of the Company (the “**M&A**”) so as to bring the M&A in line with the amendments to the Listing Rules and the Companies Ordinance and to make other minor changes.

To consolidate the proposed amendments to the M&A, the Board also proposes to adopt a new memorandum and articles of associations (the “**New M&A**”) to replace the M&A.

The proposed amendments to the M&A and the adoption of the New M&A are subject to approval by Shareholders by way of special resolutions at the AGM.

GENERAL

A circular containing, among other things, details of the (i) proposed increase in Authorized Share Capital; (ii) proposed amendments to the M&A; and (iii) proposed adoption of the New M&A together with a notice of AGM and the related proxy form will be despatched to the Shareholders as soon as practicable.

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

Hong Kong, 26 March 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, Mr. David Shum and Mr. Rogier Verhoeven; 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.