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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

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

AND

**(2) UPDATE ON DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO THE SITE D ACQUISITION:
FURTHER EXTENSION OF COMPLETION DATE**

The Acquisition

On 26 May 2008, Many Gain and STSL, an indirect wholly owned subsidiary of the Company, entered into the Agreement, pursuant to which Many Gain conditionally agreed to sell, and STSL conditionally agreed to purchase, the development right of, and the legal title to, the Nam Van Site.

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

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

As certain of the percentage ratios under Chapter 14 of the Listing Rules exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the disclosure by way of an announcement and a circular to the Shareholders.

Further extension of the completion date of the Site D Acquisition

The Group currently owns an interest in Site D by virtue of the SPA. Subject to approval by the Macau Government of the development plan and market condition, the Company intends to develop together the sites in which the Group has an interest in Nam Van, Macau to create a comprehensive mixed-use development which will include the Nam Van Site and Site D.

As a result, additional time will be needed for the Company to work on, and for the Macau Government to review and approve, the proposed Comprehensive Development and the master plan for the Nam Van District. In these circumstances, Sai Wu, ST Nam Van and the Company have agreed to further extend the completion date of the Site D Acquisition to on or before 30 June 2009.

(1) THE AGREEMENT

Date 26 May 2008

Parties

Vendor: Many Gain

Purchaser: STSL (an indirect wholly owned subsidiary of the Company)

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

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

Consideration

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

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

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

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

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

Terms of payment

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

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

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

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

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

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

Conditions precedent

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

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

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

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

Completion

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

Information on Many Gain and the Nam Van Site

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

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

The Group already has an interest in Site D by virtue of the SPA. Subject to approval by the Macau Government of the development plan and market condition, the Company intends to develop together the sites in which the Group has an interest in Nam Van, Macau to create the Comprehensive Development, including the Nam Van Site and Site D.

Background to, and reasons for, the Acquisition

The Company is an investment holding company and its subsidiaries are engaged in a number of business activities including transportation, hospitality, property development and investment.

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

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

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

Implications under the Listing Rules

As certain of the percentage ratios under Chapter 14 of the Listing Rules exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the disclosure by way of an announcement and a circular to the Shareholders.

A circular containing, among other things, details of the Agreement and the Acquisition will be despatched to the Shareholders as soon as practicable.

(2) FURTHER EXTENSION OF COMPLETION DATE OF SITE D ACQUISITION

Reference is made to the Site D Announcements. Unless otherwise defined, capitalised terms used under this section have the same meanings as those defined in the Site D Announcements.

As set out in the Site D Announcements, Sai Wu, ST Nam Van and the Company had agreed to extend the completion date of the Site D Acquisition to on or before 30 June 2008. As set out in the section headed "Information on Many Gain and the Nam Van Site", the Company plans to develop together the sites in which the Group has an interest in Nam Van, Macau to create the Comprehensive Development, including the Nam Van Site and Site D. As a result, additional time will be needed for the Company to work on, and for the Macau Government to review and approve, the proposed Comprehensive Development and the master plan for the Nam Van District. In these circumstances, Sai Wu, ST Nam Van and the Company have agreed to further extend the completion date of the Site D Acquisition to on or before 30 June 2009.

Other than the extension of the completion date of the Site D Acquisition, all the terms of the SPA remain unchanged.

DEFINITIONS

“Acquisition”	the acquisition of development right of and the legal title to the Nam Van Site by STSL from Many Gain in accordance with the terms and conditions of the Agreement
“Agreement”	the conditional agreement in respect of the Acquisition dated 26 May 2008 entered into between Many Gain (as vendor) and STSL (as purchaser)
“Business Day”	a day other than a Saturday or Sunday on which licensed banks are ordinarily open for the transaction of normal banking business in Hong Kong and Macau
“Company”	Shun Tak Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange
“Comprehensive Development”	a comprehensive mixed-used development, which under the Company’s current plan (subject to Macau Government’s approval and market condition), is expected to include areas for residential, retail, office and hotel purposes
“Consideration”	the consideration for the Acquisition, being HK\$3,145.0 million, inclusive of the Partial Premium
“Director(s)”	the director(s) of the Company
“DSSOPT”	Direcção dos Serviços de Solos, Obras Públicas e Transportes (Macau Public Works Department)
“Escrow Agent”	a firm of lawyers jointly appointed by STSL and Many Gain which shall act as stakeholder to receive the Consideration
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Land Concession Contract”	the land concession contract in respect of the Comprehensive Development to be prepared and issued by the Macau Government
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	A date falling 12 months from the date of the Agreement

“Macau”	the Macau Special Administrative Region of the PRC
“Many Gain”	Many Gain Investments Limited, a company incorporated in the British Virgin Islands and an independent third party of the Company
“Nam Van Site”	the vacant site located in Nam Van, Macau adjoining to Site D and is generally bounded by Avenida Dr Sun Yat Sen on the north, which is expected to provide a maximum developable GFA of approximately 1,618,150 sq. ft.
“Partial Premium”	all premium and charges payable to the Macau Government in respect of a developable GFA of 500,000 sq. ft. of the Nam Van Site for residential use
“Preliminary Development Plan”	the preliminary plans of the Comprehensive Development including all amendment(s) submitted by the Group to the DSSOPT from time to time
“PRC”	the People’s Republic of China
“Shares”	shares of HK\$0.25 each in the capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Site D”	The vacant sites in Nam Van, Macau that the Group contracted to purchase from Sai Wu (as defined in the Site D Announcements) and referred to as “the Property” in the Site D Announcements
“Site D Acquisition”	the acquisition of Site D pursuant to the SPA
“SPA”	the sale and purchase agreement dated 11 November 2004 in relation to the acquisition of Site D by the Group, including any amendments and supplements from time to time
“Site D Announcements”	the Company’s announcements dated 11 November 2004, 11 May 2005, 30 December 2005, 30 June 2006 and 20 June 2007 in respect of the Site D Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“STSL”	Shun Tak South Lake Limited, a company incorporated in Macau and an indirect wholly owned subsidiary of the Company

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong
“sq. ft.” square feet

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

Hong Kong, 27 May 2008

As at the date of this announcement, the executive Directors are Dr. Stanley Ho, Ms. Pansy Ho, Ms. Daisy Ho, Dr. Ambrose So, Mr. Patrick Huen, Mr. Anthony Chan, Ms. Maisy Ho and Mr. David Shum.

The non-executive Directors are Dato' Dr. Cheng Yu Tung and Mrs. Louise Mok and the independent non-executive Directors are Sir Roger Lobo, Mr. Norman Ho, Mr. Charles Ho and Mr. Yeh V-Nee.