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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>

**EXEMPTION UNDER RULE 14A.33(3)(b)
OF THE LISTING RULES
IN RESPECT OF
AN EXISTING CONTINUING CONNECTED TRANSACTION
WITH STDM**

Reference is made to the announcement and circular of Shun Tak Holdings Limited dated 28 October 2010 and 18 November 2010 respectively in relation to, among other things, the SAA Extension Agreement entered into between STCTS and STDM pursuant to which STCTS will continue to pay to STDM the STDM Commissions. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcement and the Circular.

STDM has ceased to be a connected person to the Company at the holding level, but remains as a connected person at the subsidiary level under the Listing Rules. Under Rule 14A.33(3)(b) of the Listing Rules, the threshold for de minimis exemption for continuing connected transaction involving person connected only at the subsidiary level is 1%.

The exemption under Rule 14A.33(3)(b) of the Listing Rules shall apply with immediate effect to the STDM Commissions under the SAA Extension Agreement. The STDM Commissions under the SAA Extension Agreement will be exempted from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules as long as the STDM Commissions under the SAA Extension Agreement satisfy the requirement under Rule 14A.33(3)(b) of the Listing Rules.

Reference is made to the announcement and circular of Shun Tak Holdings Limited (the "Company") dated 28 October 2010 (the "Announcement") and 18 November 2010 (the

“Circular”) respectively in relation to, among other things, the SAA Extension Agreement entered into between STCTS and STD M pursuant to which STCTS will continue to pay to STD M the STD M Commissions. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcement and the Circular.

Subsequent to the entering into of the SAA Extension Agreement, STD M ceased to be a connected person to the Company at the holding level under the Listing Rules. However, it remains as a connected person at the subsidiary level under the Listing Rules due to its 40% shareholding interest in Interdragon Limited, a non-wholly owned subsidiary of the Company.

The STD M Commissions under the SAA Extension Agreement is on an ongoing basis and constitutes continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

Under Rule 14A.33(3)(b) of the Listing Rules, the threshold for de minimis exemption for continuing connected transactions involving person connected only at the subsidiary level is 1%.

On the basis that:

- (i) the STD M Commissions under the SAA Extension Agreement is entered into on normal commercial terms;
- (ii) STD M is now a connected person of the Company connected only at the subsidiary level under the Listing Rules; and
- (iii) all the relevant percentage ratios as defined under Rule 14.07 of the Listing Rules (other than the profit ratio) in respect of the annual caps of the STD M Commissions under the SAA Extension Agreement are less than 1%;

the STD M Commissions under the SAA Extension Agreement constitutes de minimis transaction under Rule 14A.33(3)(b) of the Listing Rules.

The exemption under Rule 14A.33(3)(b) of the Listing Rules shall apply with immediate effect to the STD M Commissions under the SAA Extension Agreement. The STD M Commissions under the SAA Extension Agreement will be exempted from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules as long as the STD M Commissions under the SAA Extension Agreement satisfy the requirement under Rule 14A.33(3)(b) of the Listing Rules.

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

Hong Kong, 13 December 2011

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