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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

**DISCLOSEABLE TRANSACTION
IN RELATION TO SUCCESSFUL TENDER FOR THE PROPERTY**

The Company is pleased to announce that, on 29 October 2012, the Purchaser (an indirect wholly-owned subsidiary of the Company) has successfully tendered for the Property at the Tender Price of HK\$770,000,000 payable in cash.

As the Tender Price exceeds 5% of the applicable percentage ratio under the Listing Rules, the Acquisition constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE TENDER AND THE ACQUISITION OF THE PROPERTY

On 29 October 2012, the Purchaser received the Acceptance of Offer whereby the tender for the purchase of the Property by the Purchaser was accepted by the Vendor.

Parties:

Purchaser: Sonata Kingdom Limited (an indirect wholly-owned subsidiary of the Company)

Vendor: The Open University of Hong Kong

The Property:

The Property is located at Shop No.402, 4th Floor of the Podium, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Hong Kong, with the gross floor area of approximately 33,387 sq. ft.. The Property is currently occupied by the Vendor for its own use.

The Tender Price:

The Tender Price of HK\$770,000,000 includes the initial deposit in the sum of HK\$38,000,000 which has been paid by the Purchaser. The remaining portion of the Tender Price in the sum of HK\$732,000,000 will be payable in cash in accordance with the following timetable:

- (i) HK\$39,000,000 will be payable on or before 5 November 2012; and
- (ii) HK\$693,000,000 will be payable on or before the Completion.

The Tender Price and the related costs are proposed to be financed partly by the internal resources of the Group and partly by bank loan.

THE TENANCY AGREEMENT**Parties:**

Immediately after the Completion, the Vendor will lease back the Property from the Purchaser for a term up to 16 March 2014 at monthly rental of HK\$1,600,000. Details of the terms are as follows:

Landlord: The Purchaser

Tenant: The Vendor

Term: A term commencing immediately after Completion and expires on 16 March 2014 (both days inclusive), subject to the Tenant's right, exercisable on or after 16 July 2013, to terminate the Tenancy Agreement with at least 30 days' prior notice

Monthly Rental: HK\$1,600,000 (excluding rates, government rent, management fees and air-conditioning charges)

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.

The Purchaser, being an indirect wholly-owned subsidiary of the Company, is a special purpose vehicle incorporated in Hong Kong set up for the purpose of acquiring and holding the Property.

Prior to the Acquisition, the Group did not have any shareholding interest in the retail podium of Shun Tak Centre. However, it has been the leasing and property manager of the retail podium of Shun Tak Centre for 20 years. In that capacity, the Group possesses a deep understanding of the optimal existing and new tenant mix for the retail market at Shun Tak Centre. As such, the Company anticipates it will be in a position to create a positive synergy and enhance the future value of the Property.

The Board considers that the Agreement for the Tender is on normal commercial terms and the terms of which are fair and reasonable having taken into account the rental yield provided by the Tenancy Agreement; the market conditions and location of the Property; and the potential value enhancement of the Property due to the synergistic effect after the Acquisition. The Board further considers that the entering into the Agreement for Tender is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the Tender Price exceeds 5% of the applicable percentage ratio under the Listing Rules, the Acquisition constitutes a discloseable transaction for the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	The acquisition by the Purchaser of the Property pursuant to the Agreement for Tender
“Acceptance of Offer”	the letter issued by the Vendor to the Purchaser dated 29 October 2012
“Agreement for Tender”	Agreements constituting the Acceptance of Offer, the Conditions of Sale together with the Tender Form
“Board”	The board of Directors
“Company”	Shun Tak Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (stock code: 242)
“Completion”	on or before 9 January 2013, being the completion date of the Acquisition
“Conditions of Sale”	the conditions of sale as set out in the tender document for the Tender
“Director(s)”	the director(s) of the Company
“Group”	the Company together with its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	Shop No.402, 4th Floor of the Podium, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Hong Kong
“Purchaser”	Sonata Kingdom Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	The tenancy agreement to be entered into between the Purchaser (as Landlord) and the Vendor (as Tenant) pursuant to the Agreement for Tender

“Tender”	the sale of the Property by the Vendor by way of a tender process
“Tender Form”	the tender form as set out in the tender document for the Tender
“Tender Price”	an amount of HK\$770,000,000 payable by the Purchaser for the Acquisition pursuant to the Agreement for Tender
“Vendor”	The Open University of Hong Kong, a body corporate incorporated under and by virtue of The Open University of Hong Kong Ordinance (Cap. 1145, Laws of Hong Kong)
“sq. ft.”	square feet

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

Hong Kong, 29 October 2012

As at the date of this announcement, the executive directors 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.