
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this Prospectus or as to the action to be taken, you should consult your stockbroker or other registered securities dealer, bank manager, solicitor, professional accountant or other professional adviser. Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Prospectus.

If you have sold or transferred all your shares in Shun Tak Holdings Limited, you should at once hand this Prospectus and, if any, the accompanying PAL and EAF to the purchaser(s) or transferee(s) or bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

A copy of this Prospectus, together with copies of the PAL and EAF and the written consent referred to in the paragraph headed "Expert's Qualification and Consent" in Appendix III to this Prospectus, have been registered by the Registrar of Companies in Hong Kong as required under Section 38D of the Companies Ordinance. The Registrar of Companies in Hong Kong and the Securities and Futures Commission of Hong Kong take no responsibility as to the contents of any of the documents referred to above.

Dealings in the Shares and the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS operated by Hong Kong Securities Clearing Company Limited and you should consult your stockbroker or other registered securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The attention of Shareholders with registered addresses in, and investors who are located or resident in, any of the jurisdictions outside the Included Jurisdictions or holding Shares on behalf of persons with such addresses is drawn to the paragraph headed "Non-Qualifying Shareholders" under the section headed "Letter from the Board" of this Prospectus.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

The securities described herein have not been registered under the US Securities Act or the laws of any state in the United States, and may not be offered or sold within the United States, absent registration or an exemption from the registration requirements of the US Securities Act and applicable state laws. There is no intention to register any portion of the Rights Shares or any securities described herein in the United States or to conduct a public offering of securities in the United States.

Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession this Prospectus comes should inform themselves of and observe any such restrictions. This Prospectus is not for release, publication or distribution, directly or indirectly, in or into the United States. Shareholders with registered addresses in, and investors who are located or resident in, any of the jurisdictions outside the Included Jurisdictions or holding Shares on behalf of persons with such addresses should refer to the important information set out in the paragraph headed "Non-Qualifying Shareholders" under the section headed "Letter from the Board" of this Prospectus.

This Prospectus has not been qualified as a prospectus or a rights offering circular in any province or territory of Canada and the Rights Shares will not be offered or distributed in Canada.

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to the nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.



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 814,603,832 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 PAYABLE IN FULL ON ACCEPTANCE**

Sole Global Coordinator and Sole Bookrunner of the Rights Issue



Joint Underwriters of the Rights Issue



**PLATINUM
Securities**

**MEGAPROSPER
INVESTMENTS
LIMITED**

The latest time for acceptance of, and payment for, the Rights Shares is 4:00 p.m. on Monday, 27 February 2012. The procedures for acceptance and payment or transfer of the Rights Shares are set out in the paragraph headed "Procedures for acceptance and payment or transfer" under the section headed "Letter from the Board" on pages 14 to 18 of this Prospectus.

It should be noted that the Sole Global Coordinator may, upon giving notice in writing to the Company, terminate the Underwriting Agreement with immediate effect at any time prior to the Latest Time for Termination, upon the occurrence of certain events, including force majeure events. These events are set out in the section headed "Termination of the Underwriting Agreement" on pages 26 to 27 of this Prospectus.

If the Sole Global Coordinator exercises such right, the Underwriting Agreement will not become unconditional and the Rights Issue will not proceed. Upon the giving of written notice of termination, all the obligations of the Joint Underwriters and the Company under the Underwriting Agreement shall cease and no party shall have any claim against any other for costs, damages, compensation or otherwise (save in respect of certain rights and obligations under the Underwriting Agreement, including rights of the parties thereto in respect of any antecedent breach).

Shareholders should note that the existing Shares have been dealt in on an ex-rights basis from Monday, 6 February 2012. The Rights Shares in their nil-paid form will be dealt in from Wednesday, 15 February 2012 to Wednesday, 22 February 2012 (both days inclusive). If prior to the Latest Time for Termination, the Sole Global Coordinator terminates the Underwriting Agreement or if any of the other conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue and the Underwriting Agreement" under the section headed "Letter from the Board" of this Prospectus is not fulfilled, the Rights Issue will not proceed.

Any dealings in the Shares from the date of this Prospectus up to the date on which all the conditions of the Rights Issue are fulfilled, which is currently expected to be 4:00 p.m. on Thursday, 1 March 2012, and any dealings in the Rights Shares in their nil-paid form from Wednesday, 15 February 2012 to Wednesday, 22 February 2012 (both days inclusive) are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares or Rights Shares in their nil-paid form, and if they are in any doubt about their position, they are recommended to consult their professional advisers.

13 February 2012

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The Rights Issue is conditional upon (i) the Underwriting Agreement becoming unconditional and not being terminated and (ii) permission to deal in and listing of all 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, the Rights Issue will not proceed, in which case a further announcement will be made by the Company at the relevant time. It should also be noted that the Shares have been dealt in on an ex-rights basis from Monday, 6 February 2012 and that dealings in the nil-paid Rights Shares will take place from Wednesday, 15 February 2012 to Wednesday, 22 February 2012 (both days inclusive). Such dealings will take place when the conditions of the Rights Issue remain unfulfilled. Any person dealing in the securities of the Company up to the date on which such conditions are fulfilled and any person dealing in the nil-paid Rights Shares from Wednesday, 15 February 2012 to Wednesday, 22 February 2012 (being the first and last days of dealings in the nil-paid Rights Shares respectively) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Any person dealing or contemplating any dealing in the securities of the Company, the nil-paid Rights Shares and/or the Shares during this period who is in any doubt about his position is recommended to consult his own professional adviser.

EXCEPT AS OTHERWISE SET OUT HEREIN, THE RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO SHAREHOLDERS WITH REGISTERED ADDRESSES IN JURISDICTIONS OUTSIDE THE INCLUDED JURISDICTIONS AND NEITHER IS THE RIGHTS ISSUE BEING MADE TO INVESTORS WHO ARE LOCATED OR RESIDENT IN ANY OF THE JURISDICTIONS OUTSIDE THE INCLUDED JURISDICTIONS, UNLESS AN OFFER OF RIGHTS SHARES AND NIL-PAID RIGHTS SHARES INTO SUCH JURISDICTIONS COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER LEGAL OR REGULATORY REQUIREMENTS OR THE OFFER IS MADE IN RELIANCE ON ANY EXEMPTION OR WHERE COMPLIANCE IS NOT UNDULY BURDENSOME. This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to the nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. None of the nil-paid Rights Shares, the fully-paid Rights Shares, this Prospectus, the PAL and the EAF will be registered under the securities laws of any of the jurisdictions other than in Hong Kong and none of the nil-paid Rights Shares, the fully-paid Rights Shares, this Prospectus, the PAL and the EAF will qualify for distribution under any of the relevant securities laws of any of the jurisdictions outside the Included Jurisdictions (other than pursuant to any applicable exceptions as agreed by the Company). Accordingly, the nil-paid Rights Shares and the fully-paid Rights Shares may not be offered, sold, pledged, taken up, resold, renounced, transferred or delivered, directly or indirectly, into or within any of the jurisdictions outside the Included Jurisdictions absent registration or qualification under the respective securities laws of such jurisdictions, or exemption from the registration or qualification requirements under applicable rules of such jurisdictions.

Shareholders with registered addresses in, and investors who are located or resident in, any of the jurisdictions outside the Included Jurisdictions or who hold Shares on behalf of persons with such addresses should refer to the paragraph headed “Non-Qualifying Shareholders” under the section headed “Letter from the Board” of this Prospectus.

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Each person acquiring the nil-paid Rights Shares and/or Rights Shares under the Rights Issue will be required to confirm, or be deemed by his/her/its acquisition of the nil-paid Rights Shares and/or Rights Shares to confirm, that he/she/it is aware of the restrictions on offers and sales of the nil-paid Rights Shares and/or Rights Shares described in this Prospectus.

NOTICE TO OVERSEAS INVESTORS

Australia

This Prospectus is not a disclosure document under Chapter 6D of the Corporations Act 2001 (Cth) (the “Australian Corporations Act”) and has not been and will not be lodged with the Australian Securities and Investments Commission as a disclosure document for the purposes of Chapter 6D of the Australian Corporations Act and does not purport to include the information required of a disclosure document under Chapter 6D of the Australian Corporations Act.

The nil-paid Rights Shares and/or the fully-paid Rights Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the nil-paid Rights Shares and/or the fully-paid Rights Shares may be issued, and no draft or definitive offering circular, advertisement or other offering material relating to any of the nil-paid Rights Shares and/or the fully-paid Rights Shares may be distributed in Australia.

The Company is not licensed to provide financial product advice in relation to the nil-paid Rights Shares and/or the fully-paid Rights Shares. This Prospectus is intended to provide general information only and has been prepared without taking into account any particular person’s objectives, financial situation or needs. Investors should, before acting on this information, consider the appropriateness of this information having regard to their personal objectives, financial situation or needs.

Belgium

This offering of Rights Shares has not been, and will not be, notified to the Belgian Financial Services and Markets Authority (“*Autorité des services et marchés financiers*”/“*Autoriteit voor Financiële Diensten en Markten*”). Neither has this Prospectus (together with the PAL and EAF) been, nor will it be, approved by the Belgian Financial Services and Markets Authority. Accordingly, the Company is not, and will not be, authorised to conduct a public offering of Rights Shares in Belgium and this Prospectus (together with the PAL and EAF) does not constitute such an offer. This Prospectus (together with the PAL and EAF) has been, or will be, individually addressed in Belgium to such persons, for their personal use and exclusively for the purposes of the offering of Rights Shares. Accordingly, this Prospectus (together with the PAL and EAF) may neither be used for any other purpose nor passed on to any other investor in Belgium.

Canada

The nil-paid Rights Shares and the Rights Shares described in this Prospectus are not being distributed to persons resident in Canada and may not be acquired by such persons except in compliance with applicable Canadian securities laws.

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Denmark

This Prospectus does not constitute a prospectus under any Danish law and has not been filed with or been approved by the Danish Financial Supervisory Authority ("*Finanstilsynet*") as this Prospectus has not been prepared in the context of a public offering of securities in Denmark within the meaning of the Danish Securities Trading Act or any Executive Orders issued pursuant thereto. The offering of the Rights Shares will only be directed to investors in Denmark in accordance with the exemptions from the prospectus requirement set forth in Executive Order No. 223 of 10 March 2010 (as amended) or in Executive Order No. 222 of 10 March 2010 (as amended). This Prospectus may not be made available nor may the Rights Shares be marketed and/or offered for sale in Denmark other than in circumstances which are exempt from the prospectus requirement in Denmark.

Germany

This Prospectus is not being distributed in the context of, and does not constitute, a public offering or public advertising of securities in Germany within the meaning of the German Securities Prospectus Act ("*Wertpapierprospektgesetz - WpPG*"), and it has not been and will not be filed with, approved by or notified to the German Federal Financial Supervisory Authority ("*Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin*"). Likewise, the distribution of the offered Rights Shares has not been notified to, or approved by, BaFin.

Accordingly, this Prospectus, any copies thereof or any other documents relating to the Rights Issue or the offered Rights Shares may not be distributed, and the offered Rights Shares may not be offered or sold in Germany by way of a public offering within the meaning of the WpPG.

The offered Rights Shares may fall within the scope of the German Investment Tax Act ("*Investmentsteuergesetz - InvStG*"). Therefore, it cannot be excluded that German investors may be faced with taxes pursuant to the InvStG. Prospective German investors should be aware that it is not contemplated to provide or issue certain information designated in the InvStG. All prospective German investors are urged to seek independent tax advice. This Prospectus does not contain any tax advice or explain the possible tax consequences of an investment in the offered Rights Shares by investors who are subject to taxation in Germany.

Italy

The Rights Issue has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("CONSOB") (the Italian Securities Exchange Commission) pursuant to Italian securities legislation and, accordingly, no Rights Shares may be offered, sold or delivered, nor may copies of this Prospectus or of any other document relating to the Rights Shares be distributed in the Republic of Italy, except:

- (i) to qualified investors ("*investitori qualificati*"), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "Financial Services Act") and Article 34-*ter*, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999 (as amended from time to time) ("Regulation No. 11971"); or

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- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Regulation No. 11971.

Any offer, sale or delivery of the Rights Shares or distribution of copies of this Prospectus or any other document relating to the Rights Shares in the Republic of Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the “Banking Act”);
- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may require information on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

Any investor purchasing the Rights Shares is solely responsible for ensuring that any offer or resale of the Rights Shares by such investor occurs in compliance with applicable Italian laws and regulations.

Macau

The Company has not authorised any offer to the public of Rights Shares in Macau and no action has been undertaken to make an offer to the public of Rights Shares requiring a publication of a prospectus in Macau. The nil-paid Rights Shares and/or the fully-paid Rights Shares are not registered or otherwise authorized for public offer under the Financial System Act of Macau, thus may not be promoted, distributed, sold, delivered or offered to the public in Macau.

Malaysia

This Prospectus has not been and will not be registered as a prospectus with the Malaysian Securities Commission (“SC”) under the Capital Markets and Services Act 2007 (“CMSA”). This Prospectus will not be deposited as an information memorandum with the SC. Accordingly, this Prospectus and any other document or material in connection with the making available, issue or offer for subscription or sale, or invitation to subscribe for or purchase the nil-paid Rights Shares and/or the fully-paid Rights Shares shall not be circulated nor distributed in any manner, nor may the nil-paid Rights Shares and/or the fully-paid Rights Shares be made available, issued, offered for subscription or sale, or be made the subject of an invitation to subscribe for or purchase, whether directly or indirectly, to any person in Malaysia, other than to the persons prescribed under sections 229(1)(b) or 230(1)(b) or schedules 5, 6 or 7 of the CMSA, as may be applicable.

The approval of the SC has not been and will not be sought and, consequently, the nil-paid Rights Shares and/or the fully-paid Rights Shares will not be made available, issued or offered for subscription or sale, nor may any invitation to subscribe for or purchase the nil-paid Rights Shares and/or the fully-paid Rights

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Shares, whether directly or indirectly, be issued to any person in Malaysia unless such issue, offer or invitation is exempted from the requirement for the approval of the SC by virtue of schedule 5 of the CMSA. In accepting this Prospectus and/or the Rights Issue, the Shareholder acknowledges and agrees that no such issue, offer or invitation is made in Malaysia.

Norway

This Prospectus has not been registered with or approved by the Norwegian Register of Business Enterprises or the Norwegian Financial Supervisory Authority under Chapter 7 of the Norwegian Securities Trading Act of 29 June 2007 as amended (the “Act”). The Rights Shares may not be offered or sold directly or indirectly in Norway except to persons who are Professional Investors under the Act or in respect of offers for the purchase of or subscription for securities issued in minimum lots of 50,000 Euro in terms of nominal value or Subscription Price or otherwise in circumstances which will not trigger the requirement to prepare and file a prospectus in connection with the offer of the Rights Shares under the Act.

This Prospectus is only and exclusively addressed to the addressees and cannot be distributed, offered or presented, either directly or indirectly to other persons or entities domiciled in Norway without the consent of the Company.

Shareholders are advised to seek legal advice to ensure that they are classified as Professional Investors under the Act or are otherwise in circumstances which will not trigger a prospectus requirement under the Act.

Portugal

The Company has not authorised any offer to the public of Rights Shares in Portugal and no action has been undertaken or will be undertaken to make an offer to the public of Rights Shares requiring a publication of a prospectus in Portugal. For the purposes of this paragraph, the expression an “offer to the public of Rights Shares” means the communication, in any form and by any means, of sufficient information on the terms of the offer or Rights Issue and the Rights Shares to be offered so as to enable an investor to decide to subscribe for any Rights Shares, addressed, wholly or in part, to unidentified recipients, or to all the shareholders of a public company, even if its share capital is represented by nominal shares, preceded or accompanied, wholly or in part, by the prospection of or the solicitation for investment’s intentions from unidentified addressees, or by promotional material, or addressed to at least 100 persons residing or established in Portugal who are not qualified investors. Additionally, the following shall not mean an “offer to the public of Rights Shares”: (i) an offer of securities addressed only to qualified investors; and (ii) a rights issue addressed by a private company to its shareholders in general, except when the offer is preceded or accompanied by the prospection of or the solicitation for investment’s intentions from unidentified addressees, or by promotional material. “Qualified investors” shall mean investors complying with the requirements set out in article 110-A of the Portuguese Securities Code. This Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever. Any forwarding, distribution or reproduction of this Prospectus

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in whole or in part is unauthorised. Failure to comply with this directive may result in a violation of the applicable laws in Portugal. If you have gained access to this Prospectus contrary to any of the foregoing restrictions, you are not authorised and will not be able to subscribe for any of the Rights Shares described herein.

Singapore

This Prospectus, the PAL and the EAF and any other materials relating to the Rights Issue have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus, the PAL and the EAF and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, or the allotment and issuance of the Rights Shares (in nil-paid and fully paid forms) in connection with the Rights Issue, may not be issued, circulated or distributed in Singapore in connection with the Rights Issue, nor may the Rights Shares (in nil-paid and fully paid forms) be offered or sold, or be made the subject of an invitation for subscription or purchase, or be allotted or issued, whether directly or indirectly, to persons in Singapore.

This Prospectus has been given to you on the basis that you are an existing Shareholder of the Company and is for information purpose only and should not be construed as any offer of the Rights Shares (in nil-paid and fully paid forms) by the Company or any other persons to you. In the event that you are not an existing Shareholder of the Company, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

South Korea

Neither the rights to the Rights Shares nor the Rights Shares themselves may be offered, sold and delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the Financial Investment Services and Capital Markets Act and the Foreign Exchange Transaction Law and the decrees and regulations thereunder. The Rights Shares have not been registered with the Financial Services Commission of Korea for public offering in Korea. Furthermore, neither the rights to the Rights Shares nor the Rights Shares themselves may be re-sold to Korean residents unless the purchaser thereof complies with all applicable regulatory requirements (including but not limited to government approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with their purchase.

Spain

This Prospectus is neither approved by nor registered in the administrative registries of the *Spanish Comisión Nacional del Mercado de Valores* ("CNMV"). The Rights Shares may not be offered or sold in Spain or targeted to Spanish resident investors save in compliance with the requirements of the Spanish Securities Market Law, as amended and restated, from time to time and decrees, regulations and any further subsequent legislation issued thereunder.

Any person intending to participate, directly or indirectly, in the Rights Issue or deal in the Rights Shares and/or the nil-paid Rights Shares, is advised to seek legal advice to ensure that they are in compliance with the requirements of the Spanish Securities Market Law, as amended and restated, from time to time and decrees, regulations and any further subsequent legislation issued thereunder.

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Switzerland

The Rights Shares may not be publicly offered, distributed or redistributed in or from Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or any other stock exchange or regulated trading facility in Switzerland. This Prospectus and any other offering or marketing material relating to the Rights Shares does neither constitute a listing prospectus according to the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland nor an issue prospectus according to Art. 652a and/or Art. 1156 of the Swiss Code of Obligations (“CO”), and, therefore, it has been prepared without regard to the disclosure standards for issuance prospectuses under Art. 652a or Art. 1156 CO or the disclosure standards for listing prospectuses under Art. 27ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. The Rights Shares are being offered in Switzerland by way of a private placement, without any public advertisement and only to investors who will be individually approached and do not purchase the Rights Shares with the intention to distribute them to the public. This Prospectus as well as any other offering or marketing material relating to the Rights Shares or the offering is personal and confidential and does not constitute an offer to any other person. Neither this Prospectus nor any other offering or marketing material relating to the Rights Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Prospectus nor any other offering or marketing material relating to the offering, the Company or the Rights Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Prospectus will not be filed, and the offer of Rights Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (“FINMA”), and the offer of Rights Shares has not been and will not be authorised under the Swiss Federal Act on Collective Investment Schemes (“CISA”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Rights Shares.

The Cayman Islands

The provision or making available of this Prospectus does not constitute and must not be construed as the carrying on of business by the Company in the Cayman Islands, as that term is defined under the Companies Law (2011 Revision), as amended from time to time, and thus does not violate any applicable laws in the Cayman Islands.

The United Kingdom

This Prospectus has not been delivered for approval to the Financial Services Authority (“FSA”) in the United Kingdom. No approved prospectus within the meaning of: section 85 of the Financial Services and Markets Act 2000, as amended (“FSMA”); the Prospectus Rules; or the Prospectus Directive, as amended (Directive 2003/71/EC) has been published or is intended to be published in relation to the Rights Issue. Accordingly the Rights Shares referred to in this Prospectus may not be, and are not being, offered to persons in the United Kingdom. This Prospectus (which has not been approved by the FSA) is provided to Non-Qualifying Shareholders in the UK for information only. It is not an offer to the public under section 85 FSMA, the Prospectus Rules or Directive 2003/71/EC. Neither is this Prospectus a financial promotion within the meaning of section 21 FSMA since: (1) article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) removes the financial promotion

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restriction from communications (which are communicated by a body corporate to its members) which relate to shares in the share capital of the body corporate; and (2) article 67 of the Order removes the financial promotion restriction from communications which relate to shares in the share capital of the body corporate that are permitted to be traded on a relevant market (such as the Stock Exchange) if the communication is permitted by the rules of that market.

NOTICE TO US INVESTORS

This Prospectus, the PAL, the EAF, the nil-paid Rights Shares and the Rights Shares have not been and will not be registered under the US Securities Act or securities laws of any state or territory of the United States. Accordingly, the nil-paid Rights Shares and the Rights Shares may only be offered, sold, taken up, resold, renounced, transferred or delivered, in “offshore transactions” in accordance with Regulation S under the US Securities Act.

This Prospectus, the PAL, the EAF, the nil-paid Rights Shares and the Rights Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering, this Prospectus, the PAL, the EAF, the nil-paid Rights Shares and the Rights Shares or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

None of this Prospectus, the PAL and the EAF constitutes, will constitute, or forms or will form, part of any offer or invitation to issue, purchase or acquire the nil-paid Rights Shares and/or the Rights Shares to any person with a registered address, or who is located, in the United States. The nil-paid Rights Shares and the Rights Shares are being offered outside the United States in reliance on Regulation S under the US Securities Act.

In addition, until 40 days after the commencement of the Rights Issue or the procurement of purchasers by the Joint Underwriters of the Rights Shares not initially taken up, any offer, sale or transfer of the nil-paid Rights Shares or the Rights Shares in or into the United States by a dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the US Securities Act.

The Joint Underwriters may arrange for the offer of the Rights Shares not taken up in the Rights Issue only outside the United States in reliance on Regulation S under the US Securities Act. Each subscriber (including, without limitation, agents, nominees and trustees) of Rights Shares being offered and sold outside the US will be deemed (by accepting delivery of this Prospectus) to have given each of the following representations and warranties to the Company and the Joint Underwriters and to any person acting on their behalf, unless in their sole discretion the Company and the Sole Global Coordinator waive such requirement expressly in writing:

- he/she/it was a Shareholder on the Record Date, or he/she/it lawfully acquired or may lawfully acquire the rights, directly or indirectly, from such a person;
- he/she/it may lawfully be offered, take up, obtain, subscribe for and receive the rights and/or the Rights Shares in the jurisdiction in which he/she/it resides or is currently located;

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- he/she/it is not resident or located in, or a citizen of, the US;
- he/she/it is not accepting an offer to acquire or take up the rights or Rights Shares on a nondiscretionary basis for a person who is resident or located in, or a citizen of, the US at the time the instruction to accept was given;
- he/she/it is not doing so for the account of any person who is located in the United States, unless:
 - (a) the instruction to purchase or take up the nil-paid Rights Shares or to subscribe for or accept Rights Shares was received from a person outside the United States, and
 - (b) the person giving such instruction has confirmed that it (x) has the authority to give such instruction and (y) either (A) has investment discretion over such account or (B) is an investment manager or investment company that is acquiring the Rights Shares in an “offshore transaction” within the meaning of Regulation S under the US Securities Act;
- he/she/it is acquiring the rights and/or the Rights Shares in an “offshore transaction” as defined in Regulation S under the US Securities Act;
- he/she/it has not been offered the Rights Shares by means of any “directed selling efforts” as defined in Regulation S under the US Securities Act;
- he/she/it is not acquiring rights or Rights Shares with a view to the offer, sale, allotment, take up, exercise, resale, renouncement, pledge, transfer, delivery or distribution, directly or indirectly, of such rights or Rights Shares into the US; and
- he/she/it understands that neither the rights nor the Rights Shares have been or will be registered under the US Securities Act or with any securities regulatory authority of any state, territory, or possession of the US and the rights and Rights Shares are being distributed and offered only outside the US in reliance on Regulation S under the US Securities Act. Consequently he/she/it understands the rights or Rights Shares may not be offered, sold, pledged or otherwise transferred in or into the US, except in reliance on an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act.

FORWARD-LOOKING STATEMENTS

All statements in this Prospectus other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements may be identified by the use of words such as “might”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue”, “illustration”, “projection” or similar expressions and the negative thereof. Forward-looking statements in this Prospectus include, without limitation, statements in respect of the Group’s business strategies, product offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the Group operates, technological advances, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

NOTICES

The forward-looking statements in this Prospectus are based on management's present expectations about future events. Management's present expectations reflect numerous assumptions regarding the Group's strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Group's actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to the Group or that the Group does not currently consider material could also cause the events and trends discussed in this Prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this Prospectus. Except as required by applicable law, the Company does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this Prospectus, be it as a result of new information, future events or otherwise.

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DEFINITIONS

In this Prospectus, unless the context otherwise requires, capitalised terms used shall have the following meanings:

“ADSs”	American depository shares of the Company, each representing 10 Shares and evidenced by American depository receipts;
“ADS Holders”	holders of ADSs;
“Alpha Davis”	Alpha Davis Investments Limited, a company incorporated in the British Virgin Islands, owned as to 47% by Innowell and 53% by Megaproper;
“Announcement”	the announcement of the Company dated 19 January 2012 in relation to the proposed Rights Issue;
“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”	the 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 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 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;

DEFINITIONS

“Convertible Bonds”	the Hong Kong 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, 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) 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);
“Included Jurisdictions”	Hong Kong, the Cayman Islands, Germany, Macau and Portugal and each of such jurisdictions is referred to as an “Included Jurisdiction”;
“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” under the section headed “Letter from the Board” of this Prospectus;

DEFINITIONS

“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 the 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 Practicable Date”	Wednesday, 8 February 2012, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information in this Prospectus;
“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 Acceptance Date or such later date as the Company and 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;
“Macau”	the Macau Special Administrative Region of the PRC;
“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 Shareholder(s)”	Shareholder(s) (i) whose name(s) appeared on the register of members of the Company on the Record Date; and (ii) whose address(es) as shown on such register is/are located in jurisdictions other than the Included Jurisdictions, and whom the Directors, after making enquiries, consider it necessary or expedient to exclude from the Rights Issue on grounds either of legal restrictions under the laws of such jurisdiction(s) or the requirements of the relevant regulatory body or stock exchange in such jurisdiction(s);
“PAL(s)”	the provisional allotment letter(s) 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;

DEFINITIONS

“PRC”	the People’s Republic of China which, for the purpose of this Prospectus, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“Prospectus”	this prospectus;
“Qualifying Shareholder(s)”	the Shareholder(s) whose name(s) appeared on the register of members of the Company 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”	this 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 share capital of the Company;
“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;
“Shareholder(s)”	the holder(s) of the Share(s);
“Sole Global Coordinator”	HSBC;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

DEFINITIONS

“STS”	Shun Tak Shipping Company, Limited, a company incorporated in Hong Kong, which, together with its subsidiaries, in aggregate holds 308,057,215 Shares, representing approximately 14.18% of the total issued share capital of the Company as at the Latest Practicable Date;
“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 Underwritten Shares in respect of which the relevant PALs and/or EAFs have been lodged 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 493,603,498 Rights Shares, being all the Rights Shares, other than the Rights Shares 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);
“US Securities Act”	the US Securities Act of 1933, as amended;
“Vested Share Options”	Share Options which have validly vested to the holders thereof enabling them to subscribe for Shares on or before the Record Date (being Share Options in respect of 59,060,520 Shares as at the Latest Practicable Date); and
“%”	per cent or percentage.

In this Prospectus, unless the context otherwise requires, any reference to the singular includes the plural and vice versa and any reference to a gender includes a reference to the other gender and the neuter.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue. Dates or deadlines specified below and in other parts of this Prospectus are indicative only and may be varied by agreement between the Company and the Sole Global Coordinator. In the event that any special circumstances arise, the Board may extend, or make adjustment to, the timetable if it considers appropriate. The Company will notify Shareholders by way of announcement(s) of any change to the expected timetable as and when appropriate.

First day for dealings in nil-paid Rights SharesWednesday, 15 February 2012

Latest time for splitting of nil-paid Rights Shares4:30 p.m. on Friday, 17 February 2012

Last day for dealings in nil-paid Rights SharesWednesday, 22 February 2012

Latest time for acceptance of, and payment for,
the Rights Shares and application and
payment for excess Rights Shares4:00 p.m. on Monday, 27 February 2012

Rights Issue expected to become unconditional4:00 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 around.Monday, 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 Tuesday, 6 March 2012

Notes:

1. All references to times and dates in this Prospectus refer to Hong Kong local times and dates.
2. **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 the Rights Shares and for application and payment for the excess Rights Shares will not take effect if there is a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning is in force in Hong Kong between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date. In such event, the latest time for 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 is a weekday (other than a Saturday) on which banks generally are open for business in Hong Kong and which does not have either of those warnings in force at any time between 12:00 noon and 4:00 p.m..
3. 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 Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriting Agreement contains provisions granting the Sole Global Coordinator, by notice in writing to the Company, the right to terminate the Underwriting Agreement on the occurrence of certain events.

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 the Underwriting Agreement or before any of the times on which the warranties are deemed to be given pursuant to the Underwriting Agreement would have rendered any of those 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 opinion 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, management, business, stockholders' 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 material 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, or 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 of its members or Macau; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (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 United States, the European Union or any of its members or Macau; or
- (iii) the declaration of a banking moratorium by the authorities of the PRC, Hong Kong, the 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 prejudicially and materially affects 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 and obligations under the Underwriting Agreement, including rights of the parties thereto in respect of any antecedent breach). If the Sole Global Coordinator exercises such right, the Underwriting Agreement will not become unconditional and the Rights Issue will not proceed.

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

Shareholders should note that the existing Shares have been dealt in on an ex-rights basis from Monday, 6 February 2012. The Rights Shares in their nil-paid form will be dealt in from Wednesday, 15 February 2012 to Wednesday, 22 February 2012 (both days inclusive). The Rights Issue is conditional upon, among other things, the Underwriting Agreement becoming unconditional and not being terminated. If any of the conditions of the Rights Issue as set out in the paragraph headed “Conditions of the Rights Issue and the Underwriting Agreement” under the section headed “Letter from the Board” of this Prospectus is not fulfilled, the Rights Issue will not proceed.

TERMINATION OF THE UNDERWRITING AGREEMENT

Any dealings in the Shares from the date of this Prospectus up to the time at which all the conditions of the Rights Issue are fulfilled, which is currently expected to be 4:00 p.m., Thursday, 1 March 2012, and any dealings in the Rights Shares in their nil-paid form between Wednesday, 15 February 2012 to Wednesday, 22 February 2012 (both days inclusive) are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares or Rights Shares in their nil-paid form, and if they are in any doubt about their position, they are recommended to consult their professional advisers.

LETTER FROM THE BOARD



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>

Executive Directors:

Dr. Stanley Ho (*Group Executive Chairman*)

Ms. Pansy Ho (*Managing Director*)

Ms. Daisy Ho (*Deputy Managing Director*)

Ms. Maisy Ho

Mr. David Shum

Registered Office:

Penthouse 39th Floor

West Tower

Shun Tak Centre

200 Connaught Road Central

Hong Kong

Non-executive Directors:

Dato' Dr. Cheng Yu Tung

Mrs. Louise Mok

Mr. Michael Ng

Independent non-executive Directors:

Sir Roger Lobo

Mr. Norman Ho

Mr. Charles Ho

13 February 2012

*To the Qualifying Shareholders and,
for information only, certain Non-Qualifying Shareholders*

Dear Sir or Madam,

**RIGHTS ISSUE OF 814,603,832 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 PAYABLE IN FULL ON ACCEPTANCE**

INTRODUCTION

Reference is made to the Announcement, pursuant to which the Company announced that, among other things, it proposed 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 the Rights Issue of not less than 814,603,832 Rights Shares and not more than 966,251,994 Right 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.

LETTER FROM THE BOARD

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 is not available to the Non-Qualifying Shareholders.

The Rights Issue is subject to, among other things, the Underwriting Agreement becoming unconditional and not being terminated on the occurrence of certain events including force majeure.

The purpose of this Prospectus is to provide you with further information regarding the Rights Issue, including information on dealings, transfers and acceptance of the Rights Shares, and financial information and other information of the Group.

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 existing Shares in issue:	2,172,276,887 Shares as at the Latest Practicable Date
Number of Rights Shares:	814,603,832 Shares
Aggregate nominal value of the Rights Shares:	HK\$203.7 million
Sole Global Coordinator and Sole Bookrunner:	HSBC
Joint Underwriters:	HSBC; Platinum Securities; and Megaprospers
Enlarged issued share capital upon completion of the Rights Issue:	2,986,880,719 Shares

As at the Latest Practicable Date and the Record Date:

- (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);
- (2) there were outstanding Share Options in respect of 59,060,520 Shares, all of which are Vested Shares Options; and

LETTER FROM THE BOARD

- (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.

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 Latest Practicable Date.

The aggregate number of nil-paid Rights Shares provisionally allotted pursuant to the terms of the Rights Issue represents 37.50% of the Company's existing 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 his/her/its 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 per Share as quoted on the Stock Exchange on the Last Trading Day of HK\$3.14;
- (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;
- (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;
- (f) a discount of approximately 63.7% to the unaudited pro forma adjusted consolidated net tangible assets attributable to the Shareholders per Share after completion of the Rights Issue of approximately HK\$5.56, as set out in Appendix II to this Prospectus; and
- (g) a discount of approximately 37.1% to the closing price of HK\$3.21 per Share, the dealings of which are on ex-rights basis, as quoted on the Stock Exchange on the Latest Practicable Date.

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

LETTER FROM THE BOARD

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 is 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 indicated above), to be fair and reasonable to, and in the best interests of, the Company and the Shareholders as a whole.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must have been registered as a member of the Company and must have been a Qualifying Shareholder on the Record Date.

In order to have been registered as members of the Company at the close of business on the Record Date, Shareholders must have lodged any transfer of Shares (together with the relevant certificates) with the Registrar for registration no later than 4:30 p.m. on 7 February 2012.

The Company will send the Rights Issue Documents to the Qualifying Shareholders, and this Prospectus to certain Non-Qualifying Shareholders for information only, provided that this Prospectus shall not be sent to the Non-Qualifying Shareholders who are known by the Company to be resident in the United States or Spain.

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

Basis of provisional allotments

3 Rights Shares (in nil-paid form) for every 8 existing Shares held by Qualifying Shareholders on the Record Date. Acceptance of 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 with the Registrar on or before the latest time for acceptance.

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully-paid) will rank *pari passu* with the then existing Shares in issue in all respects. 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.

LETTER FROM THE BOARD

Certificates for the Rights Shares

Subject to the fulfillment 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 paid for and have accepted the Rights Shares, at their own risk. Applicant(s) will receive one share certificate for all the Rights Shares issued to him/her/it.

Fractions of the Rights Shares

The Company has not provisionally allotted and will not accept applications for any fraction of the Rights Shares. No odd lot matching services will be provided. All fractions of Rights Shares have been aggregated (rounded down to the nearest whole number). All nil-paid Rights Shares arising from such aggregation have been provisionally allotted (in nil-paid form) to the Sole Global Coordinator or its 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).

Procedures for acceptance and payment or transfer

General

Any person (including, without limitation, agents, nominees and trustees) wishing to take up his/her/its rights under the Rights Issue must satisfy himself/herself/itself as to the full observance of the applicable laws of any relevant territory including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The attention of Shareholders with registered addresses, and investors who are located or resident, in any of the jurisdictions outside the Included Jurisdictions or who hold Shares on behalf of persons with such addresses is drawn to the paragraph below headed "Non-Qualifying Shareholders" in this "Letter from the Board".

Each subscriber (including, without limitation, agents, nominees and trustees) of Rights Shares being offered and sold outside the US will be deemed (by accepting delivery of this Prospectus) to have given each of the following representations and warranties to the Company and the Joint Underwriters and to any person acting on their behalf, unless in their sole discretion the Company and the Sole Global Coordinator waive such requirement expressly in writing:

- he/she/it was a Shareholder on the Record Date, or he/she/it lawfully acquired or may lawfully acquire the rights, directly or indirectly, from such a person;
- he/she/it may lawfully be offered, take up, obtain, subscribe for and receive the rights and/or the Rights Shares in the jurisdiction in which he/she/it resides or is currently located;
- he/she/it is not resident or located in, or a citizen of, the US;

LETTER FROM THE BOARD

- he/she/it is not accepting an offer to acquire or take up the rights or Rights Shares on a non-discretionary basis for a person who is resident or located in, or a citizen of, the US at the time the instruction to accept was given;
- he/she/it is not doing so for the account of any person who is located in the United States, unless:
 - (a) the instruction to purchase or take up the nil-paid Rights Shares or to subscribe for or accept Rights Shares was received from a person outside the United States, and
 - (b) the person giving such instruction has confirmed that it (x) has the authority to give such instruction and (y) either (A) has investment discretion over such account or (B) is an investment manager or investment company that is acquiring the Rights Shares in an “offshore transaction” within the meaning of Regulation S under the US Securities Act;
- he/she/it is acquiring the rights and/or the Rights Shares in an “offshore transaction” as defined in Regulation S under the US Securities Act;
- he/she/it has not been offered the Rights Shares by means of any “directed selling efforts” as defined in Regulation S under the US Securities Act;
- he/she/it is not acquiring rights or Rights Shares with a view to the offer, sale, allotment, take up, exercise, resale, renouncement, pledge, transfer, delivery or distribution, directly or indirectly, of such rights or Rights Shares into the US; and
- he/she/it understands that neither the rights nor the Rights Shares have been or will be registered under the US Securities Act or with any securities regulatory authority of any state, territory, or possession of the US and the rights and Rights Shares are being distributed and offered only outside the US in reliance on Regulation S under the US Securities Act. Consequently he/she/it understands the rights or Rights Shares may not be offered, sold, pledged or otherwise transferred in or into the US, except in reliance on an exemption from, or in transactions not subject to, the registration requirements of the US Securities Act.

The Company may treat as invalid any instruction which appears to the Company to have been despatched from any of the jurisdictions outside the Included Jurisdictions and which may involve a breach of the laws of the relevant jurisdictions or any instruction which otherwise appears to the Company that may involve a breach of the laws of any jurisdiction; or if the Company or its agents believe(s) the same may violate any applicable legal or regulatory requirement; or which purports to exclude the representations and/or warranties required by the paragraph immediately above.

LETTER FROM THE BOARD

Action to be taken by Qualifying Shareholders

Subscription for all Rights Shares provisionally allotted

A PAL is enclosed with this Prospectus for each Qualifying Shareholder which entitles the Qualifying Shareholder to whom it is addressed to subscribe for the number of Rights Shares shown in it. If a Qualifying Shareholder wishes to accept all Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, Computershare Hong Kong Investor Services Limited at Shops No.1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or 3rd Floor, Futura Plaza, 111-113 How Ming Street, Kwun Tong, Kowloon, Hong Kong by not later than 4:00 p.m. on 27 February 2012. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques must be drawn on a bank account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**SHUN TAK HOLDINGS LIMITED - PROVISIONAL ALLOTMENT ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**".

It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Registrar by 4:00 p.m. on 27 February 2012, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. The Company may, at its discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

Transfer and "splitting" of nil-paid Rights Shares

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer a part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer all or part of his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation not later than 4:30 p.m. on Friday, 17 February 2012 with the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection at the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL. This process is commonly known as "splitting" the nil-paid Rights Shares.

Having "split" the nil-paid Rights Shares, a Qualifying Shareholder who wishes to accept the provisional allotment of Rights Shares represented by a new PAL should do so in accordance with the instructions given above in relation to the subscription for the Rights Shares provisionally allotted.

If a Qualifying Shareholder wishes to transfer all of his/her/its nil-paid Rights Shares under a PAL (or a split PAL, as the case may be) to another person, he/she/it should complete and sign the registration information in the PAL and hand the PAL to the person to or through whom he/she/it is transferring his/her/its nil-paid Rights Shares. The transferee must then complete and sign the registration details in the PAL and lodge the PAL intact, together with a remittance for the full amount payable on acceptance with the Registrar by no later than 4:00 p.m. on 27 February 2012.

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The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

All cheques or cashier's orders will be presented for payment immediately upon receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and lodgment of a PAL together with a cheque or cashier's order in payment for the Rights Shares applied for will constitute a warranty by the applicant that the cheque or cashier's order will be honoured on first presentation. Without prejudice to its other rights in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements. If any of the conditions of the Rights Issue (as set out in the paragraph headed "Conditions of the Rights Issue and the Underwriting Agreement" in this "Letter from the Board") is not fulfilled, the monies received in respect of acceptances of the Rights Shares will be refunded to the Qualifying Shareholders (or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred) without interest, by means of cheques crossed "Account Payee Only" to be despatched by ordinary post to their registered addresses, and in the case of joint applicants to the registered address of the first-mentioned person who appears on the register of members or the transfer form, at their own risk on or around Monday, 5 March 2012.

ADS Holders

As the Rights Shares have not been and will not be registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the US, the Rights Shares are not being offered to ADS Holders, and the Bank of New York Mellon (the "Depositary"), the depositary appointed in respect of the ADSs, will not be permitted to pass the rights offered hereby on to the ADS Holders.

Under the Company's existing deposit agreement dated 20 November 1992, the Depositary has discretion, after consultation with the Company, as to the procedure to be followed in disposing of such rights on behalf of the ADS Holders and in making the net proceeds available to such holders or, if such procedure is not available, to allow the rights to lapse. After consulting with the Depositary, the Company understands that the Depositary intends to endeavour to sell the rights in Hong Kong and distribute any net proceeds to ADS Holders.

The Rights Shares may be "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act and therefore may not be deposited into any unrestricted depositary receipt facility established or maintained by any depositary bank, including but not limited to the existing ADR facility maintained by the Depositary, unless at the time of deposit such Rights Shares are no longer "restricted securities" within the meaning of Rule 144(a)(3) of the US Securities Act.

LETTER FROM THE BOARD

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

The latest time for acceptance of and payment for Rights Shares and application 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 in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on 27 February 2012. Instead the latest time for acceptance of and payment for Rights Shares and application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following business day which is a weekday (other than a Saturday) on which banks generally are open for business in Hong Kong and 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 Rights Shares and application and payment for excess Rights Shares does not take place on 27 February 2012, the dates mentioned in the section headed “Expected Timetable” above may be affected. An announcement will be made by the Company in such event.

Stamp duty and other applicable fees and charges

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 any other applicable fees and charges in Hong Kong.

Application for excess Rights Shares

Qualifying Shareholders (other than the Undertaking Shareholders) shall be entitled to apply for (a) any unsold Rights Shares which would have been allotted to Non-Qualifying Shareholders had they been Qualifying Shareholders, (b) any Rights Shares provisionally allotted but not validly accepted by 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 Qualifying Shareholders and only by completing an EAF (in accordance with the instructions printed thereon) 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 Sole Global Coordinator. All remittances must be made by cheque or cashier’s order in Hong Kong dollars. Cheques must be drawn on a bank account with, and cashier’s orders must be issued by, a licensed bank in Hong Kong and made payable to “**SHUN TAK HOLDINGS LIMITED - EXCESS APPLICATION ACCOUNT**” and crossed “**ACCOUNT PAYEE ONLY**”.

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

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- (2) subject to the availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied for by them (i.e. 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 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)).

In applying the principle in (1) above, reference will only be made to the number of excess Rights Shares being applied for. No reference will be made to the Rights Shares comprised in applications by PALs or the existing number of Shares held by Qualifying Shareholders.

Investors whose Shares are held by a nominee company (or which are deposited in CCASS) should note that the Board will regard the nominee company (including HKSCC Nominees Limited) as a single Shareholder on the register of members of the Company. Accordingly, investors whose Shares are registered in the name of a nominee (or which are deposited in CCASS) should note that the aforesaid odd lots arrangement in relation to the allocation of the excess Rights Shares will not be extended to them individually.

HKSCC Nominees Limited will allocate the excess Rights Shares it receives to the relevant CCASS participants pro-rata to the number of excess Rights Shares each has applied for, or in such other manner as HKSCC Nominees Limited considers fair and appropriate, which is pursuant to the allocation basis stipulated in Rule 8.10.4(ix) of the CCASS Operational Procedures.

If no excess Rights Shares are allotted to a Qualifying Shareholder, the amount tendered on application is expected to be refunded in full without interest by means of cheque(s) despatched by ordinary post to his/her/its registered address at his/her/its own risk on or around Monday, 5 March 2012. If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than the number applied for, the surplus application monies are also expected to be returned to the Qualifying Shareholder without interest by means of cheque(s) despatched by ordinary post to his/her/its registered addresses at his/her/its own risk on or around Monday, 5 March 2012.

If any of the conditions of the Rights Issue (as set out in the paragraph headed “Conditions of the Rights Issue and the Underwriting Agreement” in this “Letter from the Board”) is not fulfilled, the monies received in respect of the application for excess Rights Shares will be returned without interest to the relevant Qualifying Shareholders and, in the case of joint applicants, to the registered address of the first-mentioned person at their own risk on or around Monday, 5 March 2012.

All cheques or cashier’s orders will be presented for payment immediately upon receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and lodgment of an EAF together with a cheque or cashier’s order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or cashier’s order will be honoured on first presentation. Without prejudice to its other rights in respect thereof, the Company reserves the right to reject any EAF in respect of which the cheque or cashier’s order is dishonoured on first presentation. An EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents,

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including cheques or cashier's orders for amounts due, will be sent at the risk of the persons entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

Application for listing

The Company has applied 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 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.

It is expected that dealings in the Rights Shares in nil-paid form will commence on Wednesday, 15 February 2012 and will end on Wednesday, 22 February 2012 (both days inclusive) and dealings in the Rights Shares in fully-paid form will commence on Tuesday, 6 March 2012.

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 trading 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.

Non-Qualifying Shareholders

As at the Record Date, the Shareholders whose names appear on the register of members had registered addresses located in Hong Kong and 11 overseas jurisdictions. Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Company has made enquiries regarding the legal restrictions under the applicable securities legislation of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges with respect to the offer of the Rights Shares to Shareholders situated in such overseas jurisdictions.

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The Company has obtained legal advice regarding the legal restrictions under the laws of the relevant overseas jurisdictions as at the Record Date and the requirements of the relevant regulatory bodies or stock exchanges in those jurisdictions that would or may apply if the offer of Rights Shares is made to shareholders in those overseas jurisdictions, namely Australia, Canada, Germany, Macau, Switzerland, Spain, the Cayman Islands, the United Kingdom, Portugal, Singapore and the United States. As at the Record Date, the aggregate shareholding of Shareholders with addresses in the Included Jurisdictions (i.e. Hong Kong, the Cayman Islands, Germany, Macau and Portugal) represented approximately 99.97% of the then issued share capital of the Company, while the aggregate shareholding of Shareholders with registered addresses in other overseas jurisdictions only represented approximately 0.03% of the then issued share capital of the Company. On the basis of the advice received and taking into account the small percentage of shareholdings held in aggregate by the Non-Qualifying Shareholders based on the register of members of the Company as at the Record Date, the Board considers that it is necessary or expedient and in the interests of the Company and Shareholders as a whole not to offer the Rights Shares to the Non-Qualifying Shareholders because of the time and costs that may need to be involved in complying with the relevant legal and regulatory requirements. However, assistance will be provided to the Non-Qualifying Shareholders to realise the value of their entitlements, if a premium (net of expenses) can be obtained, by way of disposal of the nil-paid Rights Shares which would otherwise be allotted to them in the market as described below.

Accordingly, no PAL or EAF will be or has been sent to any of the Non-Qualifying Shareholders. In addition, no person receiving a PAL or an EAF in any territory or jurisdiction other than the Included Jurisdictions may treat it as an offer or invitation to apply for the Rights Shares, unless in a territory or jurisdiction where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof or where the offer is made in reliance on any exemption or where compliance with the relevant legal or regulatory requirement will not, in the Board's judgement, be unduly burdensome.

Where permitted by the laws of the relevant overseas jurisdictions, the Company will send this Prospectus to the Non-Qualifying Shareholders for their information only, provided that this Prospectus shall not be sent to the Non-Qualifying Shareholders who are known by the Company to be resident in the United States or Spain.

Notwithstanding any other provision in the Rights Issue Documents, the Company reserves the right to permit any Shareholder (whether as a direct holder or beneficial owner) whose registered address is in, or who is otherwise resident in, a jurisdiction other than Hong Kong to take up his/her/its rights if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations in that jurisdiction which would otherwise give rise to restrictions upon the offer or take-up of rights in that jurisdiction.

Receipt of this Prospectus and/or a PAL and/or an EAF or the crediting of nil-paid Rights Shares to any stock account (including in CCASS) does not and will not constitute an offer in any jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus and/or a PAL and/or an EAF must be treated as sent for information only and should not be copied or redistributed. Persons (including, without limitation, agents, custodians, nominees and trustees) who receive a copy of this Prospectus and/or a PAL and/or an EAF or whose stock account in CCASS is credited with nil-paid Rights Shares should not, in connection with the Rights Issue, distribute or send the same in, into or

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from, or transfer nil-paid Rights Shares to any person in, into or from, any jurisdiction outside the Included Jurisdictions, unless an offer of Rights Shares and nil-paid Rights Shares into such jurisdiction could lawfully be made without compliance with any registration or other legal or regulatory requirements or where the offer is made in reliance on any exemption or where compliance with the relevant legal or regulatory requirement will not, in the Board's judgement, be unduly burdensome. If a PAL or an EAF or a credit of nil-paid Rights Shares in CCASS is received by any person in any such territory, or by his/her/its agent custodian, nominee or trustee, he/she/it should not seek to take up the rights referred to in the PAL or transfer the PAL (or apply for any excess Rights Shares under the EAF) or transfer the nil-paid Rights Shares in CCASS unless the Company, in its absolute discretion, determines that such actions would not violate applicable legal or regulatory requirements. Any person (including, without limitation, agents, custodians, nominees and trustees) who forwards this Prospectus and/or a PAL and/or an EAF in, into or from, any jurisdiction outside the Included Jurisdictions (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

It is the responsibility of anyone wishing to make an application for the Rights Shares to satisfy himself/herself/itself as to the observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any government or other consents, and to pay any taxes and duties required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to treat as invalid any acceptances of or applications for, or purported acceptances of or applications for, the Rights Shares where it believes that such acceptance or application, or purported acceptance or application, would violate the applicable securities or other laws or regulations of any territory or jurisdiction or if in respect thereof the Shareholder or its agent has not given the declaration set out in the PAL and/or EAF in respect of such matters.

Arrangements have been 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 such sales, less expenses, will be paid by the Company to the relevant Non-Qualifying Shareholders pro rata to their shareholdings in the Company on the Record Date in Hong Kong dollars where such Non-Qualifying Shareholders are entitled to an individual amount of HK\$100 or more. The Company will retain individual amounts of less than HK\$100 for its own benefit. It is expected that cheques for such proceeds of sale, if any, will be despatched to those entitled thereto by ordinary post at their own risk on or around Monday, 5 March 2012. These arrangements do not extend to anyone who is not a Non-Qualifying Shareholder but as regards to whom the Company exercises its right referred to above to treat their acceptance or application as invalid.

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Adjustment to Convertible Bonds and Share Options

Subject to the Rights Issue becoming unconditional, the conversion price of the Convertible Bonds of HK\$7.89 per Share will be adjusted to HK\$7.17 per Share with retroactive effect from Monday, 6 February 2012 (being the first day of trading of Shares on the Stock Exchange on an ex-rights basis) in accordance with the applicable adjustment formula provided in the terms and conditions of the Convertible Bonds. Please refer to the announcement of the Company dated 9 February 2012 for details of the above adjustment.

As a result of the Rights Issue, the exercise price and the number of Shares that can be subscribed for under the outstanding Share Options may be adjusted in accordance with the Share Option Scheme. The Company expects to make a further announcement on the appropriate adjustment (if any) and the date it is to take effect in due course.

UNDERWRITING ARRANGEMENT

Underwriting Agreement

Date:	19 January 2012
Joint Underwriters:	HSBC; Platinum Securities; and Megaprospers
Number of Underwritten Shares:	493,603,498 Rights Shares, being all the Rights Shares, other than the Rights Shares provisionally allotted to the Undertaking Shareholders, will be fully underwritten by the Joint Underwriters. Megaprospers has agreed to underwrite the 115,649,938 Rights Shares provisionally allotted to STS, Mrs. Louise Mok and Alpha Davis, or their respective nominees (as the case may be), provided that Megaprospers' obligation to subscribe for or procure subscribers for Rights Shares pursuant to the Underwriting Agreement is limited to such number of Rights Shares not taken up by STS, Mrs. Louise Mok and Alpha Davis, or their respective nominees (as the case may be), 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 approximately HK\$27.4 million

Subject to the fulfillment 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 subscribers for all Underwritten Shares that are not taken up by the subscribers in the Rights Issue.

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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.

Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho (being the shareholders of Megaprospers and directors of the Company) 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 (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 as set out in the Underwriting Agreement;
- (d) compliance by the Undertaking Shareholders with their respective obligations 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 the Sole Global Coordinator and Platinum Securities) of all relevant documents by the times specified in the Underwriting Agreement.

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The Company shall use its reasonable endeavours to procure the fulfillment of each 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 Thursday, 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 undertakings 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.

Subject to the paragraph below, 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 Thursday, 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; and
- (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 Sole Global Coordinator (on behalf 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 Vested Share Options and any other Share Options which the Company may grant pursuant to the Share Option Scheme):

- (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

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- (d) announce any intention to enter into or effect any such transaction described in paragraphs (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 the Underwriting Agreement or before any of the times on which the warranties are deemed to be given pursuant to the Underwriting Agreement would have rendered any of those 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 opinion 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, management, business, stockholders' 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 material 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, or 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 of its members or Macau; or

LETTER FROM THE BOARD

- (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 United States, the European Union or any of its members or Macau; or
- (iii) the declaration of a banking moratorium by the authorities of the PRC, Hong Kong, the 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 prejudicially and materially affects 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 and obligations under the Underwriting Agreement, including rights of the parties thereto in respect of any antecedent breach). If the Sole Global Coordinator exercises such right, the Underwriting Agreement will not become unconditional and the Rights Issue will not proceed.

LETTER FROM THE BOARD

IRREVOCABLE UNDERTAKINGS OF THE UNDERTAKING SHAREHOLDERS

As at the Latest Practicable Date, 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 all 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 Shares that it/her/the Registered Shareholder(s) may acquire pursuant to the exercise of any Share Options prior to the Record Date;
- (b) not to apply and to procure that the Registered Shareholder(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 the Registered Shareholder(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 day the Rights Issue is open for acceptance (or such time as the parties may otherwise agree).

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 the 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.

LETTER FROM THE BOARD

Each of the Undertaking Shareholders has further undertaken to the Company, HSBC and Platinum Securities 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.

LETTER FROM THE BOARD

EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

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

	As at the Latest Practicable Date		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 all the Rights Shares have been taken up by Qualifying Shareholders	
			No. of Shares	Approximate % of the total issued Shares	No. of Shares	Approximate % of the total issued Shares
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	2,172,276,887	100.00%	2,986,880,719	100.00%	2,986,880,719	100.00%

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 a company wholly-owned by Ms. Daisy Ho, being a Director.
- (3) Including Shares held by a company 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, Ms. Maisy Ho have beneficial interests in Ranillo Investments Limited.
- (5) Megaprospers 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.

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

Shareholders should note that the existing Shares have been dealt in on an ex-rights basis from Monday, 6 February 2012. The Rights Shares in their nil-paid form will be dealt in from Wednesday, 15 February 2012 to Wednesday, 22 February 2012 (both days inclusive). The Rights Issue is conditional upon (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. If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Any Shareholder or other person contemplating transferring, selling or purchasing Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or 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 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 Sole Global Coordinator's 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.

PUBLIC FLOAT

The Company will continue to comply with the public float requirement under Rule 8.08 of the Listing Rules after completion of the Rights Issue and in particular, if the public shareholding falls below the public float percentage approved by the Stock Exchange, the Company will take appropriate steps to ensure that sufficient public float exists.

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 its 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 the Rights Shares to which they are entitled in full and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.**

LETTER FROM THE BOARD

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 approximately HK\$42.0 million. The net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares is expected to be approximately HK\$1.97.

The estimated net proceeds of the Rights Issue will be approximately HK\$1,603.5 million after the deduction of all estimated expenses of HK\$42.0 million.

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

TAXATION

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of holding or disposal of, or dealing in the Rights Shares and as regards to the Non-Qualifying Shareholders, their receipt of the net proceeds of sale of the Rights Shares in their nil-paid form otherwise falling to be issued to them under the Rights Issue. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accept responsibility for any tax effects or liabilities of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares.

EQUITY FUND RAISING OF THE COMPANY

Equity fund raising activities of the Company during the past 12 months

Save for the Rights Issue, the Company has not conducted any fund raising activities in connection with any issue of equity securities in the past 12 months immediately preceding the Latest Practicable Date.

SHAREHOLDERS' APPROVAL NOT REQUIRED

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

INFORMATION OF THE GROUP

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.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

Yours faithfully,
For and on behalf of
Shun Tak Holdings Limited
Pansy Ho
Managing Director

1. THREE YEARS' SUMMARY OF FINANCIAL RESULTS

Financial information of the Group for each of the three years ended 31 December 2010 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.shuntakgroup.com>):

- annual report of the Company for the year ended 2008 published on 20 April 2009 (pages 69 to 159);
- annual report of the Company for the year ended 2009 published on 28 April 2010 (pages 69 to 163); and
- annual report of the Company for the year ended 2010 published on 26 April 2011 (pages 67 to 161).

2. INDEBTEDNESS

As at the close of business on 31 December 2011, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining information contained in this indebtedness statement, the Group had outstanding borrowings of HK\$9,051.2 million, comprising secured bank loans of HK\$1,775.4 million, unsecured bank loans of HK\$3,990.0 million, unsecured loans from non-controlling shareholders of HK\$1,798.3 million and liability component of guaranteed convertible bonds of HK\$1,487.5 million. The secured bank loans were secured by charges on certain assets of the Group of HK\$9,003.8 million and the unsecured bank loans were secured by corporate guarantees of the Company and/or certain subsidiaries. Bank loans to the extent of HK\$1,505.4 million were also secured by pledges of shares in certain subsidiaries. The Group had not provided any guarantee in favour of the unsecured loans from non-controlling shareholders.

As at the close of business on 31 December 2011, the Group had the following material contingent liabilities:

	<i>HK\$ '000</i>
Guarantees given by the Group to financial institutions on behalf of purchasers of flats	23,715
Guarantees issued by the Company for bank guarantees issued for the Group	<u>7,820</u>
	<u><u>31,535</u></u>

Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of business, the Group did not, as at 31 December 2011, have any material outstanding: (a) debt securities, whether issued and outstanding, authorised or otherwise created but unissued, or term loans, whether guaranteed, secured (whether the security is provided by the Company or by

third parties) or unsecured; (b) other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guaranteed, unguaranteed, secured or unsecured; (c) mortgages or charges; or (d) guarantees or other material contingent liabilities.

The Directors have confirmed that there have been no material changes in the indebtedness and contingent liabilities of the Group since 31 December 2011.

3. WORKING CAPITAL

The Directors are of the opinion that, in the absence of any unforeseen circumstances and after taking into account (i) the internal resources of the Group; (ii) the available banking facilities of the Group; and (iii) the estimated net proceeds from the proposed Rights Issue, the Group has sufficient working capital for its present requirements and for at least the next 12 months from the date of this Prospectus.

4. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2010, the date to which the latest published audited financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Property

The Group has recently launched a number of development projects which garnered popular market responses. These include pre-sale of Chatham Gate in Hong Kong and Nova Park (Nova City Phase 4) in Macau. Project completions are scheduled for the fourth quarter of 2012 and the fourth quarter of 2014 respectively. Sales by phases will continue into 2012 and strong performance is expected on the back of genuine user demands.

The Residences and Apartments at Mandarin Oriental, Macau made its debut in 2010, of which approximately 89% in terms of number of units have been sold. The last featured units of One Central Residences may be released for sale in 2012 upon favorable market conditions.

Taipa Hills Memorial Garden is a columbarium project in Macau comprising approximately 40,000 niches. Around 9,700 niches were launched for sale in the first phase, with 31% sold as of 31 December 2011.

Investment properties for lease, including The Westwood, Liberté Place, Shun Tak Business Centre and One Central shopping mall, have consistently maintained high occupancy and are generating stable rental income for the Group.

The Chung Hom Kok redevelopment project, which comprises 5 exclusive sea view houses, is currently in the foundation works stage whereas the foundation works for Nova City Phase 5 which features over 2.9 million square feet gross floor area of residential and retail development is scheduled to commence in the third quarter of 2012.

Harbour Mile, a proposed 4.3 million square feet gross floor area mixed-use development project in Macau is still under review by the Macau SAR Government as part of the overall master plan for the Nam Van lakefront area. As stated in the Company's announcement dated 7 February 2012, since the master plan was still under review and it was anticipated that the Macau Government would need more time for its deliberations and finalisation of the master plan, the long-stop completion dates for the acquisitions of the sites in the Harbour Mile project (being the Nam Van Site and the Site D Acquisition as mentioned in that announcement) have been further extended to 31 December 2013.

Transportation

Shipping division, which operates the brand "TurboJET", completed the acquisition of New World First Ferry Services (Macau) Limited and New Ferry – Transporte Marítimo de Passageiros (Macau), Limitada in September 2011. The undertaking enabled the Group to strengthen its fleet with younger and higher capacity vessels, allow for more flexible resource deployment and improve per capita yield. In addition, the acquisition also allows the Group to expand its catchment market to include Kowloon, and capitalise further upon our group businesses.

Apart from its flagship Hong Kong-Macau route, the Group also operates an air-sea intermodal transit service out of Hong Kong International Airport, as well as collaborates with other China ferry operators to manage routes connecting Shenzhen, Shekou and Nansha for a truly seamless sea network interlinking Pearl River Delta.

Hospitality

The Group possesses a strategic portfolio of hospitality investments, which includes Mandarin Oriental, Macau, The Westin Resort Macau, Macau Golf & Country Club and SkyCity Marriott Hotel in Hong Kong. The proposed Jumeirah hotel project in Cotai is under consideration by the Macau SAR Government.

Aside from its investor role, the Group has been the operating manager of Macau Tower Convention & Entertainment Centre ("Macau Tower") since its opening in 2001. In 2010, it exported its know-how to the PRC and was appointed to run the newly completed Canton Tower in Guangzhou. Moreover, the Group obtained a full MICE license in the PRC, and has established a solid customer base from the successful handling of national events including Shanghai World Expo 2010 and Asian Games 2010.

Investment

The Group owns an effective interest in Sociedade de Turismo e Diversões de Macau, S.A. (“STDM”) of approximately 11.5%, with the latter holding an approximate 55.23% effective shareholding in SJM Holdings Limited (“SJM Holdings”), a listed company in Hong Kong. SJM Holdings owns the entire shareholding interests of Sociedade de Jogos de Macau S.A., one of the six gaming concessionaires licensed by the Macau SAR Government to operate casinos in Macau. In addition to gaming activities, STDM holds a portfolio of properties in Macau and interests in several hotels in Macau, Macau International Airport, Air Macau Company Limited and Macau Tower.

It is expected that both the transportation and hospitality divisions will continue to benefit from the thriving tourism environment across Hong Kong and Macau. Moreover, a well-paved pipeline of property launches is set to generate a solid balance sheet for the Group over the next years. Upon the foundation of its core competency and financial strength, the Group will continue to strengthen its value propositions, and remain disciplined, patient and committed in improving long term returns.

For illustrative purposes, the financial information prepared in accordance with paragraph 4.29 of the Listing Rules is set out here to provide prospective investors with further information about how the financial information of the Group might be affected by the completion of the Rights Issue as if the Rights Issue had been completed on 30 June 2011. The statement has been prepared for illustrative purposes only and because of its nature, it may not give a true picture of the Group's financial position on the completion of the Rights Issue.

(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is an illustrative and unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company which has been prepared on the basis of the notes set out below, for the purpose of illustrating the effect of the Rights Issue as if it had taken place on 30 June 2011. This unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only, and because of its hypothetical nature, may not give a true picture of the financial position of the Group had the Rights Issue been completed as at 30 June 2011 or at any future date.

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2011 <i>HK\$ million</i> <i>(Note 2)</i>	Estimated net proceeds from the Rights Issue <i>HK\$ million</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company after completion of the Rights Issue <i>HK\$ million</i>	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to owners of the Company after completion of the Rights Issue <i>HK\$</i> <i>(Note 4)</i>
Based on 814,603,832 Rights Shares (<i>Note 1</i>) to be issued at Subscription Price of HK\$2.02 per Rights Share	<u>15,017.4</u>	<u>1,603.5</u>	<u>16,620.9</u>	<u>5.56</u>

Notes:

- (1) The Rights Issue of 814,603,832 Rights Shares is based on 2,172,276,887 Shares in issue on the Record Date.
- (2) The unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2011 is derived from the published unaudited interim report of the Group for the six months ended 30 June 2011, which is based on the unaudited consolidated net assets of the Group attributable to owners of the Company as at 30 June 2011 of approximately HK\$15,383.1 million, with an adjustment for the intangible assets of approximately HK\$365.7 million.
- (3) The estimated net proceeds from the Rights Issue are based on 814,603,832 Rights Shares to be issued (in the proportion of 3 Rights Share for every 8 existing Shares held as at the Record Date) at the subscription price of HK\$2.02 per Rights Share. The gross proceeds from the Rights Issue of approximately HK\$1,645.5 million are after deduction of the estimated related expenses of approximately HK\$42.0 million.

- (4) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after the adjustments referred to in Note 2 above and on the basis that approximately 2,986,880,719 Shares were in issue assuming the Rights Issue had been completed on 30 June 2011.

- (5) Other than those mentioned above, no adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2011.

(B) ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following is the text of a report received from the reporting accountants, H. C. Watt & Company Limited, Certified Public Accountants, prepared for the purpose of incorporation in this Prospectus, in respect of the unaudited pro forma financial information of the Group.

H. C. Watt & Co. Ltd.
Certified Public Accountants
Chartered Secretaries

Room 1903, New World Tower
18 Queen's Road Central
Hong Kong

The Directors
Shun Tak Holdings Limited
Penthouse 39th Floor
West Tower
Shun Tak Centre
200 Connaught Road Central
Hong Kong

Dear Sir or Madam,

We report on the unaudited pro forma statement of adjusted consolidated net tangible assets (the "Unaudited Pro Forma Financial Information") of Shun Tak Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") in Appendix II to the prospectus of the Company dated 13 February 2012 (the "Prospectus"), in connection with the proposed rights issue of the Company. The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company (the "Directors"), for illustrative purposes only, to provide information about how the proposed rights issue might have affected the relevant financial information of the Group. The basis of preparation of the Unaudited Pro Forma Financial Information is set out in Appendix II to the Prospectus.

Respective Responsibilities of Directors and the Reporting Accountants

It is the responsibility solely of the Directors to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

It is our responsibility to form an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments, and discussing the Unaudited Pro Forma Financial Information with the Directors. This engagement did not involve independent examination of any of the underlying financial information.

Our work did not constitute an audit or a review made in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the Unaudited Pro Forma Financial Information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Our work has not been carried out in accordance with auditing standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the Directors, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 30 June 2011 or any future dates.

Opinion

In our opinion:

- a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- b) such basis is consistent with the accounting policies of the Group; and
- c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

H. C. Watt & Company Limited
Certified Public Accountants
Hong Kong

Watt Hung Chow
Practising Certificate No. P181
13 February 2012

RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Rights Issue were and are expected to be as follows:

<i>Authorised:</i>		<i>HK\$</i>
4,000,000,000	Shares	1,000,000,000
<i>Issued and fully paid or credited as fully paid</i>		<i>HK\$</i>
2,172,276,887	Shares as at the Latest Practicable Date	543,069,222
814,603,832	Rights Shares to be issued	203,650,958
<i>Issued and fully paid share capital upon completion of the Rights Issue</i>		<i>HK\$</i>
2,986,880,719	Shares	746,720,180

All of the Shares and the Rights Shares in issue and to be issued rank and will rank *pari passu* in all respects with each other, including, in particular, as to dividends, voting rights and return of capital. The Shares and the Rights Shares in issue and to be issued are or will be listed on the Main Board of the Stock Exchange.

DIRECTORS' INTERESTS OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY**(1) Disclosure of Directors' Interests**

As at the Latest Practicable Date, the interests and short positions of each of the Directors and the chief executive of the Company and their respective associates in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) entered in the register required to be kept by the Company pursuant to Section 352 of the SFO, or (iii) notified to the Company and the Stock

Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (“**Model Code**”), were as follows:

(a) Interests of Directors in Shares and Underlying Shares of the Company

Name of Director	Nature of interests	Number of Shares held		Approximate percentage of total issued Shares Note (i)
		Personal interests	Corporate interests	
Dr. Ho	Interests in unissued Shares	—	148,883,374	(iv) 6.85%
	Interests in underlying Shares	1,587,300	—	(ii) 0.07%
Sir Roger Lobo	Interests in underlying Shares	1,000,000	—	(ii) 0.05%
Mr. Norman Ho	Interests in underlying Shares	1,000,000	—	(ii) 0.05%
Mr. Charles Ho	Interests in underlying Shares	1,000,000	—	(ii) 0.05%
Dato' Dr. Cheng Yu Tung	Interests in underlying Shares	1,000,000	—	(ii) 0.05%
Mrs. Louise Mok	Interests in issued Shares	342,627	—	0.02%
	Interests in underlying Shares	1,000,000	—	(ii) 0.05%
Mr. Michael Ng	Interests in underlying Shares	10,069,707	—	(iii) 0.46%
Ms. Pansy Ho	Interests in issued Shares	47,087,604	228,217,184	(v) 12.67%
	Interests in unissued Shares	—	148,883,374	(iv) 6.85%
	Interests in unissued Shares	21,467,004	257,437,646	(viii) 12.84%
	Interests in underlying Shares	10,157,740	—	(ii) 0.47%

Name of Director	Nature of interests	Number of Shares held				Approximate percentage of total issued Shares Note (i)
		Personal interests	Note	Corporate interests	Note	
Ms. Daisy Ho	Interests in issued Shares	48,625,811		97,820,707	(vi)	6.74%
	Interests in unissued Shares	—		148,883,374	(iv)	6.85%
	Interests in unissued Shares	22,793,831	(viii)	208,538,967	(ix)	10.65%
	Interests in underlying Shares	12,157,740	(ii)	—		0.56%
Ms. Maisy Ho	Interests in issued Shares	11,680,435		23,066,918	(vii)	1.60%
	Interests in unissued Shares	11,939,315	(viii)	8,650,094	(ix)	0.95%
	Interests in underlying Shares	20,157,740	(ii)	—		0.93%
Mr. David Shum	Interests in underlying Shares	5,000,000	(ii)	—		0.23%

Notes:

- (i) As at the Latest Practicable Date, the total number of issued Shares was 2,172,276,887.
- (ii) These represented the interests in underlying Shares in respect of share options granted by the Company, details of which are disclosed in sub-paragraph (2) headed "Share Options" below.
- (iii) These interests in underlying Shares comprised (a) 5,000,000 underlying Shares in respect of share options granted by the Company, details of which are disclosed in sub-paragraph (2) headed "Share Options" below; and (b) 5,069,707 Shares issuable to Mr. Michael Ng upon conversion of the Convertible Bonds for an aggregate nominal amount of HK\$40,000,000 held by him and based on the adjusted conversion price of HK\$7.89 per Share as at the Latest Practicable Date, details of which are disclosed in sub-paragraph (1)(d) headed "Interests of the Directors in Debentures of Subsidiaries of the Company" below.
- (iv) These 148,883,374 unissued Shares, in which Dr. Ho, Ms. Pansy Ho and Ms. Daisy Ho were deemed to be interested by virtue of the SFO, were the same parcel of Shares, and represented Shares to be issued to Alpha Davis upon completion of the acquisition as described in the Company's circular dated 17 December 2004. Alpha Davis is owned as to 47% by Innowell and 53% by Megaprospers. Innowell is wholly owned by Dr. Ho. Megaprospers is owned as to 51% by Ms. Pansy Ho, 39% by Ms. Daisy Ho and 10% by Ms. Maisy Ho.
- (v) These 228,217,184 Shares, in which Ms. Pansy Ho was deemed to be interested by virtue of the SFO, comprised 134,106,230 Shares held by Beeston Profits Limited and 94,110,954 Shares held by Classic Time Developments Limited. Both Beeston Profits Limited and Classic Time Developments Limited are wholly owned by Ms. Pansy Ho.
- (vi) These 97,820,707 Shares, in which Ms. Daisy Ho was deemed to be interested by virtue of the SFO, were held by St. Lukes Investments Limited, which is wholly owned by Ms. Daisy Ho.

- (vii) *These 23,066,918 Shares, in which Ms. Maisy Ho was deemed to be interested by virtue of the SFO, were held by LionKing Offshore Limited, which is wholly owned by Ms. Maisy Ho.*
- (viii) *These unissued Shares comprise the maximum number of Rights Shares undertaken to be subscribed by each of Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho under their respective personal interests pursuant to the Irrevocable Undertaking given by each of them and assuming the underlying Shares in relation to the share options granted by the Company to each of them individually have been issued on or before the Record Date to determine entitlements to the Rights Issue.*
- (ix) *These unissued Shares comprise the number of Rights Shares undertaken to be subscribed by each of Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho under their respective corporate interests pursuant to the Irrevocable Undertaking given by each of them and the maximum number of Rights Shares underwritten by Megaprospers pursuant to the Underwriting Agreement entered into by Megaprospers in which Ms. Pansy Ho and Ms. Daisy Ho are deemed to be interested in relation to the Rights Issue.*

(b) Interests of Directors in Shares and Underlying Shares of Subsidiaries of the Company

Name of Director	Name of subsidiary	Corporate interests	Percentage of total issued shares <i>Note (i)</i>
Dr. Ho	Shun Tak Cultural Centre Limited	4 ordinary shares	40%

Note:

- (i) *There was a total of 10 ordinary shares of Shun Tak Cultural Centre Limited in issue.*

(c) Interests of Directors in Shares and Underlying Shares of Other Associated Corporations of the Company

Name of Director	Name of associated corporation	Corporate interests	Percentage of total issued shares <i>Note (i)</i>
Ms. Pansy Ho	Shun Tak & CITS Coach (Macao) Limited	750 shares	15%

Note:

- (i) *There was a total of 5,000 shares of Shun Tak & CITS Coach (Macao) Limited in issue.*

(d) Interests of Directors in Debentures of Subsidiaries of the Company

Name of Director	Name of subsidiary	Personal interests	Approximate percentage of aggregate nominal amount of the Convertible Bonds in issue <i>Note (i)</i>
Mr. Michael Ng	Joyous King Group Limited	HK\$40,000,000 (<i>Note ii</i>)	2.58%

Notes:

- (i) *As at the Latest Practicable Date, 3.3% guaranteed convertible bonds due 2014 for an aggregate nominal amount of HK\$1,550,000,000 were issued by Joyous King Group Limited, a wholly owned subsidiary of the Company.*
- (ii) *These Convertible Bonds for an aggregate nominal amount of HK\$40,000,000 held by Mr. Michael Ng would be convertible into 5,069,707 Shares, representing approximately 0.23% of the issued share capital of the Company, at the adjusted conversion price of HK\$7.89 per Share as at the Latest Practicable Date during the conversion period from 22 October 2010 to 15 October 2014 subject to the terms and conditions of the Convertible Bonds. These interests duplicate Mr. Michael Ng's interests in underlying Shares as disclosed in sub-paragraph (1)(a) headed "Interests of the Directors in Shares and Underlying Shares of the Company" above.*

All the interests disclosed in sub-paragraph (1)(a) to (1)(d) above represented long position interests in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

As at the Latest Practicable Date, save as disclosed in sub-paragraphs (1)(a) to (1)(d) above, none of the Directors or the chief executive of the Company or any of their associates had or were deemed to have any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) entered in the register required to be kept pursuant to Section 352 of the SFO or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

(2) Share Options

As at the Latest Practicable Date, details of outstanding Share Options held by the Directors under the Share Option Scheme were as follows:

Name of Director	Note	Date of grant	Exercise period	Exercise price per Share (HK\$)	Number of Share Options outstanding as at the Latest Practicable Date
Dr. Ho	(i)	25 May 2004	25 May 2004 to 24 May 2014	3.15	1,587,300
Ms. Pansy Ho	(i)	25 May 2004	25 May 2004 to 24 May 2014	3.15	10,157,740
Ms. Daisy Ho	(i)	25 May 2004	25 May 2004 to 24 May 2014	3.15	12,157,740
Ms. Maisy Ho	(i)	25 May 2004	25 May 2004 to 24 May 2014	3.15	20,157,740
Mr. David Shum	(i)	22 September 2004	22 September 2004 to 21 September 2014	4.20	5,000,000
Mr. Michael Ng	(ii)	1 February 2010	1 April 2010 to 31 January 2015	4.68	2,500,000
	(iii)	1 February 2010	1 April 2011 to 31 January 2015	4.68	2,500,000
Sir Roger Lobo	(i)	29 March 2011	29 March 2011 to 27 March 2021	4.37	1,000,000
Mr. Norman Ho	(i)	29 March 2011	29 March 2011 to 27 March 2021	4.37	1,000,000
Mr. Charles Ho	(i)	29 March 2011	29 March 2011 to 27 March 2021	4.37	1,000,000
Dato' Dr. Cheng Yu Tung	(i)	29 March 2011	29 March 2011 to 27 March 2021	4.37	1,000,000
Mrs. Louise Mok	(i)	29 March 2011	29 March 2011 to 27 March 2021	4.37	1,000,000

Notes:

- (i) *These Share Options are exercisable during a period of 10 years commencing from their respective dates of grant. These share options were vested on their respective dates of grant.*
- (ii) *These Share Options were vested on 1 April 2010.*
- (iii) *These Share Options were vested on 1 April 2011.*

(3) Substantial Shareholders and Other Persons

As at the Latest Practicable Date, so far as known to the Directors and chief executive of the Company, the following persons (not being a Director or chief executive of the Company) had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of interests or short positions in shares required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder	Note	Nature of interests	Capacity	Long position/ short position	Number of Shares/ underlying Shares held	Approximate percentage of total issued Shares <i>Note (i)</i>
Hanika Realty Company Limited ("Hanika")	(ii)	Interests in issued Shares	Beneficial owner	Long position	399,502,244	18.39%
Ranillo Investments Limited ("Ranillo")	(ii)	Interests in issued Shares	Interests of controlled corporation	Long position	399,502,244	18.39%
STS and its subsidiaries	(iii)	Interests in issued Shares	Beneficial owner and interests of controlled corporation	Long position	308,057,215	14.18%
Alpha Davis	(iv)	Interests in unissued Shares	Beneficial owner	Long position	148,883,374	6.85%
Innowell	(iv)	Interests in unissued Shares	Interests of controlled corporation	Long position	148,883,374	6.85%
Megaprospers	(iv)	Interests in unissued Shares	Interests of controlled corporation	Long position	148,883,374	6.85%
	(v)	Interests in unissued Shares	Beneficial owner	Long position	171,856,203	7.91%
Beeston Profits Limited ("BPL")	(vi)	Interests in issued Shares	Beneficial owner	Long position	134,106,230	6.17%
HSBC Holdings plc. and its controlled corporations		Interests in issued Shares	Interests of controlled corporation	Long position	551,822	0.02% <i>(note vii)</i>
	(vii)	Interests in unissued Shares	Interests of controlled corporation	Long position	343,307,932	9.69% <i>(note vii)</i>

Notes:

- (i) As at the Latest Practicable Date, the total number of issued Shares was 2,172,276,887.
- (ii) Ms. Pansy Ho and Ranillo have 14.2% and 71.5% of the voting rights of Hanika respectively. Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho have beneficial interests in Ranillo. Accordingly, the interests of Ranillo in the Company duplicate the interests of Hanika in the Company as described above. Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho are directors of Hanika. Ms. Pansy Ho and Ms. Daisy Ho are directors of Ranillo.
- (iii) Dr. Ho is a director of STS, while Dato' Dr. Cheng Yu Tung, Ms. Pansy Ho and Ms. Daisy Ho have beneficial interests in and are directors of STS. Mrs. Louise Mok, Ms. Maisy Ho and Mr. David Shum have beneficial interests in STS.
- (iv) Alpha Davis is entitled to the interests in 148,883,374 unissued Shares which will be issued upon completion of the acquisition as described in the Company's circular dated 17 December 2004. Alpha Davis is owned as to 47% by Innowell and 53% by Megaprospers. Innowell is wholly owned by Dr. Ho. Megaprospers is owned as to 51% by Ms. Pansy Ho, 39% by Ms. Daisy Ho and 10% by Ms. Maisy Ho. Accordingly, the interests of Innowell and Megaprospers in the Company duplicate the interests of Alpha Davis in the Company as described above. Dr. Ho is a director of Alpha Davis and Innowell. Ms. Pansy Ho and Ms. Daisy Ho are directors of Alpha Davis, Innowell and Megaprospers.
- (v) These unissued Shares comprise the maximum number of Rights Shares underwritten for subscription by Megaprospers pursuant to the Underwriting Agreement.
- (vi) Ms. Pansy Ho has 100% interests in and is a director of BPL.
- (vii) These unissued Shares comprise the aggregate of (a) the interests in unissued Shares which will be issued upon completion of the proposed Rights Issue of Rights Shares; and (b) the maximum number of Rights Shares underwritten by HSBC pursuant to the Underwriting Agreement. The approximate percentage of total issued Shares is based on the maximum number of the Company's enlarged issued shares of 3,542,923,979 assuming Shares have been allotted and issued before the Record Date pursuant to the full exercise of all outstanding conversion rights attaching to the Convertible Bonds and the subscription rights attaching to the Vested Share Options 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.

As at the Latest Practicable Date, so far as is known to the Directors, the following persons and companies (other than Directors or chief executives of the Company) were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group (other than the Company):

Name of entity	Name of member of the Group	Approximate percentage of interest held
Coldharbour Investments Limited	AJ Hackett Macau Tower Limited	25%
Cheerdream Limited	Ranex Investments Limited	29%
Determined Resources Limited	Ranex Investments Limited	10%
Concord Associates Limited	Ranex Investments Limited	10%
Cheerdream Limited	Treasure Peninsula Limited	29%
Determined Resources Limited	Treasure Peninsula Limited	10%
Concord Associates Limited	Treasure Peninsula Limited	10%
Dalmore Investments Limited	Shun Tak-China Travel Shipping Investments Limited and its subsidiaries	29%
Hongkong Land Macau Property Co., Ltd.	Basecity Investments Limited and its subsidiaries	49%
Rawstall Limited	Onluck Finance Limited	35.44%
Sociedade de Turismo e Diversões de Macau, S.A.	Interdragon Limited	40%

Name of entity	Name of member of the Group	Approximate percentage of interest held
Dragages Investments Limited	Union Sky Holdings Limited	30%
Magsaysay People Resources Corp.	Shun Tak Magsaysay China Recruitment And Training Limited	31.4%
Super Fruitful China Limited	Shun Tak Magsaysay China Recruitment And Training Limited	15.1%
Tian Hou Development Company, Limited	Tin Wai Development Company Limited	21%
China National Aviation Corporation (Macau) Company Limited	Groupax Limited	36%

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, no other persons (not being a Director or chief executive of the Company) had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or had direct or indirect interests amounting to 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group.

SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which will not expire or be determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN ASSETS

- (a) Pursuant to a master leasing agreement (the “**STDM Master Leasing Agreement**”) dated 4 February 2010 entered into between the Company and Sociedade de Turismo e Diversões de Macau, S.A. (“**STDM**”), a company in which Dr. Ho, Dato’ Dr. Cheng Yu Tung, Mrs. Louise Mok, Ms. Pansy Ho, Ms. Daisy Ho, Ms. Maisy Ho and Mr. David Shum have beneficial interests, the Group has agreed to continue to lease certain premises and may further lease additional premises from the STDM group. Announcements were made by the Company on 4 February 2010 and 4 July 2011 in this respect. Since 31 December 2010, being the date to which the latest published audited financial statements of the Group were made up, three new tenancy agreements were entered into by the Group as tenant and the STDM group as landlord under the STDM Master Leasing Agreement.

- (b) Pursuant to a master leasing agreement (the “**STC Master Leasing Agreement**”) dated 4 February 2010 entered into between the Company and Shun Tak Centre Limited (“**STC**”), a company in which Dr. Ho and STDM have beneficial interests, the Group has agreed to continue to lease certain premises and may further lease additional premises from STC. Announcements were made by the Company on 4 February 2010 and 4 July 2011 in this respect. Since 31 December 2010, being the date to which the latest published audited financial statements of the Group were made up, four new tenancy agreements were entered into between the Group as tenant and STC as landlord under the STC Master Leasing Agreement.
- (c) Pursuant to an agreement dated 11 August 2011 between Shun Tak – China Travel Shipping Investments Limited (“**STCTS**”), a non wholly-owned subsidiary of the Company, and New World First Holdings Limited (the “**NWFH**”), STCTS agreed to acquire the entire issued share capital of New World First Ferry Services (Macau) Limited (“**NWFF**”) and New Ferry – Transporte Maritime de Passageiros (Macau) Limitada (“**NFTMP**”) and the shareholder’s loans advanced to NWFF, for a consideration of HK\$350 million (subject to adjustment). NWFF and NFTMP were wholly owned subsidiaries of NWFH, which is in turn an associate of NWD, prior to completion of the acquisition. The acquisition was completed on 30 September 2011. An announcement was made by the Company on 11 August 2011 and a circular was despatched to the Shareholders on 1 September 2011 in relation to the acquisition.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2010, being the date to which the latest published audited financial statements of the Group were made up.

DIRECTORS’ INTERESTS IN CONTRACTS AND ARRANGEMENTS

- (a) Pursuant to the fuel arrangement extension agreement entered into between STCTS and STDM on 28 October 2010, STDM supplies fuel to STCTS and loads fuel into STCTS’s vessels at the Macau Outer Harbour Terminal. STCTS purchased approximately HK\$282.7 million of fuel from the STDM group for the year ended 31 December 2010 for its Macau shipping operations. The price of fuel was determined with reference to its market price plus a small handling charge.
- (b) Pursuant to the ticket arrangement extension agreement entered into between STCTS and STDM on 28 October 2010, STDM acts as the agent of STCTS for sale of ferry tickets for which it received HK\$18.7 million in commission for the year ended 31 December 2010. The commission was calculated at 5% of the total net ticket sales generated by STDM as agent (less any discounts and concessions on ferry tickets agreed by STCTS and any tax, fees and levies paid thereon to any government or ferry terminal operator). Under the said agreement, STDM purchases ferry tickets from STCTS with a discount up to a maximum of 12% (depending on the volume of the bulk purchases) for its own use. For the year ended 31 December 2010, STDM purchased approximately HK\$153.9 million (net of discount) of ferry tickets from STCTS.

- (c) Pursuant to the master property services agreement entered into between the Company and STDM on 4 February 2010, the Group provides property related services to the STDM group, including sale, leasing, project management, property management, property cleaning and other property related services for the properties as designated by the STDM group and agreed by the Group from time to time. An announcement was made by the Company on 4 February 2010 in this respect. During the year ended 31 December 2010, the aggregate service fees received by the Group from the STDM group under the master property services agreement (including service fees received for the operation and property management of the Macau Tower Convention & Entertainment Centre) amounted to approximately HK\$23.8 million.
- (d) Pursuant to the renewed master service agreement entered into between the Company and MGM Grand Paradise Limited (“MGM”) on 8 October 2010, a company in which Ms. Pansy Ho, a director and a substantial shareholder, has indirect beneficial interest, the Group may provide/demand services to/from the MGM group from time to time on a non-exclusive basis, including but not limited to sale of ferry tickets to the MGM group, sale of travel products to the MGM Group, rental of hotel rooms to the MGM group, provision of laundry service to the MGM group, provision of advertising services to the MGM group, provision of property cleaning services to the MGM group and rental of guestrooms at the MGM Grand Macau Hotel to the Group. An announcement was made by the Company on 8 October 2010 in this respect. During the year ended 31 December 2010, aggregate revenue received by the Group from the MGM group and the aggregate expenses paid by the Group to the MGM group for agreements made under such renewed master service agreement amounted to approximately HK\$61.6 million and HK\$0.8 million respectively.
- (e) Pursuant to an agreement between Pat Soi, Limitada (currently known as Shun Tak Nam Van Investment Limited (“STNV”, and a wholly owned subsidiary of the Company) and Sai Wu Investimento Limitada (a company in which Dr. Ho has beneficial interest), STNV has conditionally agreed to purchase the entire issued share capital of certain companies which will at the time of completion of the acquisition hold the land development right in respect of certain parcels of land in Macau. The consideration for the acquisition is HK\$1,500 million which will be satisfied as to HK\$750 million in cash and as to the balance by the issuance of Shares to Alpha Davis, a company in which each of Dr. Ho, Ms. Pansy Ho, Ms. Daisy Ho and Ms. Maisy Ho has a beneficial interest. Pursuant to an agreement between the vendor and the purchaser dated 7 February 2012, the completion date for the acquisition had been further extended to on or before 31 December 2013. The Company has issued various announcements (the latest one was issued on 7 February 2012) and a circular to Shareholders dated 17 December 2004 in relation to this acquisition.

Save for the contracts disclosed in this section and the Underwriting Agreement, none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

MATERIAL CONTRACTS

The Group had entered into the following material contracts (not being contracts entered into in the ordinary course of business of the Group) within two years immediately preceding the Latest Practicable Date:

- (a) the Underwriting Agreement; and
- (b) the agreement dated 11 August 2011 entered into between STCTS (as the purchaser) and NWFH (as the vendor) for the acquisition of the entire issued share capital of NWFF and NFTMP and the shareholder's loan advanced to NWFF, for a consideration of HK\$350 million (subject to adjustment).

LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against the members of the Group.

EXPERT'S QUALIFICATION AND CONSENT

The following is the qualification of the expert who has provided its advice for inclusion in this Prospectus:

Name	Qualification
H. C. Watt & Company Limited	Certified public accountants

The above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its letter and/or reference to its name or opinion in the form and context in which it is included.

As at the Latest Practicable Date, the above expert was not beneficially interested in the share capital of any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group. As at the Latest Practicable Date, the above expert did not have any direct or indirect interest in any assets which had since 31 December 2010 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT**(a) Qualification of the Directors and Senior Management of the Company*****Group Executive Chairman*****DR. STANLEY HO**

The Group's founder and executive chairman, Dr. Ho Hung Sun, Stanley, age 90, has been a director of the Company since its incorporation in 1972. He is also a director of a number of the Company's subsidiaries.

Dr. Ho is a director of STS*, Innowell* and Alpha Davis*. He is also the chairman and an executive director of SJM Holdings Limited which is listed on the Main Board of the Stock Exchange, and the chairman of the board of directors of Estoril Sol, SGPS, S.A. which is listed on the Euronext Lisbon.

Dr. Ho is currently the honorary life president of The Real Estate Developers Association of Hong Kong. He is also the honorary lifetime chairman of The University of Hong Kong Foundation for Educational Development and Research, a member of the Court of The Hong Kong Polytechnic University, as well as the founding honorary life chairman and a director of the PolyU Development Foundation.

Dr. Ho is a vice patron of the Community Chest of Hong Kong, a trustee of The Better Hong Kong Foundation, and a patron of The Society of the Academy for Performing Arts.

Dr. Ho was awarded the Grand Bauhinia Medal and the Gold Bauhinia Star by the Government of the Hong Kong Special Administrative Region in 2010 and 2003 respectively.

In Macau, Dr. Ho is the managing director of Sociedade de Turismo e Diversões de Macau, S.A. and a director of Sociedade de Jogos de Macau, S.A. ("SJM SA"). He was the Managing Director of SJM SA from 2001 to 2010. Dr. Ho is the co-chairman of the Advisory Committee of Industrial and Commercial Bank of China (Macau) Limited, and the chairman of the board of directors of Macau Horse Racing Company, Limited. He is also a member of the Economic Development Council of the Macau Special Administrative Region Government, a member of the University Assembly of the University of Macau and an honourable patron of the University of Macau Development Foundation.

Dr. Ho was awarded the Grand Lotus Medal of Honour and the Golden Lotus Medal of Honour by the Macau Special Administrative Region Government in 2007 and 2001 respectively.

Dr. Ho is a Standing Committee member of the 11th National Committee of the Chinese People's Political Consultative Conference.

Dr. Ho is the father of Ms. Pansy Ho, the managing director of the Company, Ms. Daisy Ho, the deputy managing director of the Company, and Ms. Maisy Ho, an executive director of the Company. He is also the brother of Mrs. Louise Mok, a non-executive director of the Company.

* *STS, Innowell and Alpha Davis are companies which have an interest in the shares or underlying shares of the Company within the meaning of Part XV of the SFO.*

Independent Non-Executive Director

SIR ROGER LOBO

Sir Rogerio Hyndman Lobo (also known as Sir Roger Lobo) (“Sir Roger Lobo”), age 88, has been an independent non-executive director of the Company since 1994. He is also a member of the audit committee, remuneration committee and nomination committee of the Company. He is a vice-patron of The Community Chest of Hong Kong and The Society of Rehabilitation and Crime Prevention, Hong Kong. He is also a member of the Board of Trustees of Business and Professionals Federation of Hong Kong and a council member of Caritas Hong Kong.

Sir Roger Lobo is an independent non-executive director of Melco International Development Limited (which is listed on the Main Board of the Stock Exchange), a director of Johnson & Johnson (Hong Kong) Limited and Kjeldsen & Co. (Hong Kong) Limited.

Sir Roger Lobo is also an independent non-executive director of HKT Management Limited and HKT Limited, a company listed on the Main Board of the Stock Exchange on 29 November 2011.

In the past three years, Sir Roger Lobo was an independent non-executive director of PCCW Limited, a company listed on the Main Board of the Stock Exchange up to 29 November 2011.

Independent Non-Executive Director

MR. NORMAN HO

Mr. Ho Hau Chong, Norman (“Mr. Norman Ho”), age 56, has been an independent non-executive director of the Company since 2004. He is also the chairman of the audit committee and a member of the remuneration committee and nomination committee of the Company.

Mr. Norman Ho is an executive director of Honorway Investments Limited and Tak Hung (Holding) Company, Limited and has over 20 years of experience in management and property development.

Mr. Norman Ho is also independent non-executive director of Hong Kong Ferry (Holdings) Company Limited, Lee Hing Development Limited and Starlight International Holdings Limited and the executive director of Miramar Hotel and Investment Company, Limited and Vision Values Holdings Limited, which are listed on the Main Board of the Stock Exchange.

In the past three years, he was also an independent non-executive director of CITIC Pacific Limited up to 12 May 2011, and a non-executive director and a member of the audit committee of Haitong International Securities Group Limited (formerly known as Taifook Securities Group Limited) up to 30 June 2009, which are listed on the Main Board of the Stock Exchange.

He is a member of the Institute of Chartered Accountants in England and Wales, and a fellow of the Hong Kong Institute of Certified Public Accountants.

Independent Non-Executive Director

MR. CHARLES HO

Mr. Ho Tsu Kwok, Charles (“Mr. Charles Ho”), age 62, was appointed an independent non-executive director of the Company with effect from 10 November 2006. He is also a member of the remuneration committee and nomination committee of the Company.

Mr. Charles Ho is the chairman and an executive director of Sing Tao News Corporation Limited (which is listed on the Main Board of the Stock Exchange). Mr. Charles Ho contributes much to public affairs. He is a member of the Standing Committee of the Chinese People’s Political Consultative Conference and an economic consultant to the Shandong Provincial Government of the People’s Republic of China (“PRC”). He is also an honorary trustee of Peking University and a trustee of University of International Business and Economics in the PRC.

Non-Executive Director

DATO’ DR. CHENG YU TUNG

Dato’ Dr. Cheng Yu Tung (“Dr. Cheng”), age 86, has served as a non-executive director of the Company since 1982.

Dr. Cheng is also a director of STS*.

Dr. Cheng is the chairman of New World Development Company Limited and Melbourne Enterprises Limited, the non-executive chairman of Lifestyle International Holdings Limited and a non-executive director of SJM Holdings Limited, all of which are listed on the Main Board of the Stock Exchange.

Dr. Cheng is the honorary chairman and non-executive director of Chow Tai Fook Jewellery Group Limited, a company listed on the Main Board of the Stock Exchange on 15 December 2011. Dr. Cheng is also the chairman of Chow Tai Fook Enterprises Limited.

In the past three years, Dr. Cheng was also an independent non-executive director of Hang Seng Bank, Limited which is listed on the Main Board of the Stock Exchange, up to 6 May 2009.

Dr. Cheng was granted the Grand Bauhinia Medal by the Government of the Hong Kong Special Administrative Region in 2008.

* *STS is a company which has an interest in the shares of the Company within the meaning of Part XV of the SFO.*

Non-Executive Director

MRS. LOUISE MOK

Mrs. Mok Ho Yuen Wing, Louise (“Mrs. Louise Mok”), age 83, has been a non-executive director of the Company since 1999. She is also a member of the audit committee of the Company.

Mrs. Louise Mok is the sister of Dr. Ho, the Group Executive Chairman. She is also the aunt of Ms. Pansy Ho, the managing director of the Company, Ms. Daisy Ho, the deputy managing director of the Company, and Ms. Maisy Ho, an executive director of the Company.

Non-Executive Director

MR. MICHAEL NG

Mr. Ng Chi Man, Michael (“Mr. Michael Ng”), age 53, was appointed as an executive director of the Company and a member of the executive committee of the Company in 2009. He has been re-designated as a non-executive director of the Company and ceased to act as a member of the executive committee of the Company both with effect from 1 July 2010.

Mr. Michael Ng is a fellow member of the Hong Kong Institute of Certified Public Accountants. He holds a Master’s degree in business administration from St. John’s University in New York, U.S.A.

Mr. Michael Ng has substantial experience in corporate and financial management of listed companies in Hong Kong. He is an executive director and chief executive officer of Viva China Holdings Limited which is listed on the Growth Enterprise Market of the Stock Exchange. In the past, Mr. Michael Ng was an executive director of HKC (Holdings) Limited and China Travel International Investment Hong Kong Limited which are listed on the Main Board of the Stock Exchange.

Managing Director

MS. PANSY HO

Ms. Ho Chiu King, Pansy Catilina (“Ms. Pansy Ho”), age 49, joined the Group as an executive director in 1995, and was appointed the managing director in 1999 to oversee the Group’s overall strategic development and management. She is also the chairman of the executive committee, remuneration committee and nomination committee of the Company; and a director of a number of subsidiaries of the Company.

Ms. Pansy Ho is the chief executive officer and a director of Shun Tak – China Travel Shipping Investments Limited and is directly in charge of the Group’s shipping business. She is a director of STS*, Innowell*, Megaprospers*, Alpha Davis*, Ranillo Investments Limited*, Hanika Realty Company Limited* and Beeston Profits Limited*, the chairman of Macau Tower Convention &

Entertainment Centre, an executive director of Air Macau Company Limited and vice-chairman of Macau International Airport Co. Ltd. She is also the chairperson and an executive director of MGM China Holdings Limited, an independent non-executive director of Sing Tao News Corporation Limited and a non-executive director of Qin Jia Yuan Media Services Company Limited (all of which are listed on the Main Board of the Stock Exchange).

In China, Ms. Pansy Ho is a standing committee member of Beijing Municipal Committee of the Chinese People's Political Consultative Conference, a standing committee member of All-China Federation of Industry & Commerce and a vice president of the Chamber of Tourism, and a vice chairperson of China Society for Promotion of the Guangcai Program. In Macau, she is a member of Macau SAR Tourism Development Committee. Internationally, she is also an executive committee member of World Travel and Tourism Council.

Ms. Pansy Ho holds a Bachelor's degree in marketing and international business management from the University of Santa Clara in the United States. She received an Honorary Doctorate Degree in Business Administration from the Johnson and Wales University in May 2007.

Ms. Pansy Ho is the daughter of Dr. Ho, the Group Executive Chairman, as well as the sister of Ms. Daisy Ho and Ms. Maisy Ho, who are the deputy managing director and an executive director of the Company respectively. She is also a niece of Mrs. Louise Mok, a non-executive director of the Company.

** STS, Innowell, Megaprospier, Alpha Davis, Ranillo Investments Limited, Hanika Realty Company Limited and Beeston Profits Limited are companies which have an interest in the shares or underlying shares of the Company within the meaning of Part XV of the SFO.*

Deputy Managing Director

MS. DAISY HO

Ms. Ho Chiu Fung, Daisy ("Ms. Daisy Ho"), age 47, joined the Group in 1994 and was appointed an executive director of the Company that year. She became the Group's deputy managing director and chief financial officer in 1999. Ms. Daisy Ho is a member of the executive committee, remuneration committee and nomination committee of the Company and a director of a number of the Company's subsidiaries.

In addition to participating in the Group's strategic planning and development, Ms. Daisy Ho is also responsible for the Group's overall financial activities, as well as property sales and investments.

Ms. Daisy Ho is a director of STS*, Innowell*, Megaprospier*, Alpha Davis*, Ranillo Investments Limited* and Hanika Realty Company Limited*.

Ms. Daisy Ho is Vice President and an executive committee member of The Real Estate Developers Association of Hong Kong, a member of the Hong Kong Institute of Real Estate Administrators and Macao Chamber of Commerce, Vice President of the Board of Directors of Macao Association of Building Contractors and Developers, Chairman of University of Toronto (Hong Kong) Foundation, committee member and Hong Kong advisor to the Dean's Advisory Board of Rotman School of Management, University of Toronto, advisory Council of the Canadian International School of Hong Kong, Governor of The Canadian Chamber of Commerce in Hong Kong, and director of Po Leung Kuk.

Ms. Daisy Ho has been appointed as a committee member of the Chinese People's Political Consultative Conference of Tianjin in 2008.

Ms. Daisy Ho holds a Master of business administration degree in finance from the University of Toronto and a Bachelor's degree in marketing from the University of Southern California.

Ms. Daisy Ho is the daughter of Dr. Ho, the Group Executive Chairman, and the sister of Ms. Pansy Ho, the managing director of the Company, and Ms. Maisy Ho, an executive director of the Company. She is also a niece of Mrs. Louise Mok, a non-executive director of the Company.

** STS, Innowell, Megaprospers, Alpha Davis, Ranillo Investments Limited and Hanika Realty Company Limited are companies which have an interest in the shares or underlying shares of the Company within the meaning of Part XV of the SFO.*

Executive Director

MS. MAISY HO

Ms. Ho Chiu Ha, Maisy ("Ms. Maisy Ho"), age 44, joined the Group in 1996 and has been an executive director of the Company since 2001. She is also a member of the executive committee of the Company and a director of a number of the Company's subsidiaries.

Since joining the Group, she has been responsible for overseeing the strategic planning and operations of the property management division, as well as retail and merchandising division of the Company.

Ms. Maisy Ho is also a director of Hanika Realty Company Limited*.

In Hong Kong, Ms. Maisy Ho is 5th vice-chairman of Tung Wah Group of Hospitals, honorary vice chairman of Hong Kong United Youth Association, vice president of Hong Kong Institute of Real Estate Administrators, committee member and vice chairman of Young Executive Committee of The Chinese General Chamber of Commerce, vice chairman of Hong Kong Junior Police Call Honorary President Council for Central District, honorary vice president of Hong Kong Girl Guides and member of board of trustees of New Asia College, The Chinese University of Hong Kong. Ms. Maisy Ho is also a holder of Estate Agent's Licence (Individual).

In Macau, Ms. Maisy Ho is an executive vice president of Property Management Business Association Macao, vice president of Macao International Brand Association, executive member of Ladies Committee of Macao Chamber of Commerce, and committee member of Kiang Wu Charitable Association.

In China, she is a standing committee member of the Chinese People's Political Consultative Conference of Liaoning Province, Beijing Youth Federation, and vice-chairman of Liaoning Youth Federation respectively.

Ms. Maisy Ho holds a Bachelor's degree in mass communication and psychology from Pepperdine University, the United States.

Ms. Maisy Ho is the daughter of Dr. Ho, the Group Executive Chairman, and the sister of Ms. Pansy Ho, the managing director of the Company, and Ms. Daisy Ho, the deputy managing director of the Company. She is also a niece of Mrs. Louise Mok, a non-executive director of the Company.

** Hanika Realty Company Limited is a company which has an interest in the shares of the Company within the meaning of Part XV of the SFO.*

Executive Director

MR. DAVID SHUM

Mr. Shum Hong Kuen, David ("Mr. David Shum"), age 57, joined the Group in 1992 and has been an executive director of the Company since 2004. He is also a member of the executive committee of the Company and a director of a number of the Company's subsidiaries. He is responsible for the investment activities of the Group.

Mr. David Shum is an executive director of SJM Holdings Limited (which is listed on the Main Board of the Stock Exchange).

Mr. David Shum holds a Master's degree in business administration from the University of California, Berkeley, the United States.

Secretary

MS. TSANG MEI CHU, ANGELA

The secretary of the Company is Ms. Tsang Mei Chu, Angela. She is an associate member of The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.

(b) Addresses of the Directors of the Company

Name	Residential or business address
<i>Executive Directors</i>	
Dr. Stanley Ho	1 Repulse Bay Road, Hong Kong
Ms. Pansy Ho	Penthouse 39/F., West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong
Ms. Daisy Ho	Penthouse 39/F., West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong
Ms. Maisy Ho	House C, No. 51 Mount Kellett Road, The Peak, Hong Kong
Mr. David Shum	43A Stubbs Road, Hong Kong
<i>Non-Executive Directors</i>	
Dato' Dr. Cheng Yu Tung	12 Repulse Bay Road, Hong Kong
Mrs. Louise Mok	Flat C, 13-14/F., Merry Terrace, 4 Seymour Road, Hong Kong
Mr. Michael Ng	Four Seasons Place Apt 4539, 8 Finance Street, Central, Hong Kong
<i>Independent Non-Executive Directors</i>	
Sir Roger Lobo	Woodland Heights, E1, 2 Wong Nai Chung Gap Road, Happy Valley, Hong Kong
Mr. Norman Ho	Flat 5A, Guildford Court, 5 Guildford Road, The Peak, Hong Kong
Mr. Charles Ho	21/F., Sing Tao News Corporation Building, 3 Tung Wong Road, Shau Kei Wan, Hong Kong

PARTIES INVOLVED IN THE RIGHTS ISSUE

Sole Global Coordinator and Sole Bookrunner	HSBC
Joint Underwriters of the Rights Issue	HSBC 1 Queen's Road Central Hong Kong Platinum Securities 22/F Standard Chartered Bank Building 4 Des Voeux Road Central Hong Kong Megaprospers Offshore Incorporations Limited P.O. Box 957 Offshore Incorporations Centre Road Town Tortola British Virgin Islands
Legal adviser to the Company	Norton Rose Hong Kong 38th Floor, Jardine House 1 Connaught Place Central, Hong Kong
Legal adviser to the Joint Underwriters	Freshfields Bruckhaus Deringer 11th Floor Two Exchange Square Hong Kong
Reporting accountants	H. C. Watt & Company Limited Room 1903 New World Tower 18 Queen's Road Central Hong Kong
Registrar	Computershare Hong Kong Investor Services Limited Shops No.1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wanchai Hong Kong

Principal bankers

Bank of China (Hong Kong) Limited
Bank of China Tower
1 Garden Road
Hong Kong

The Hongkong and Shanghai Banking
Corporation Limited
1 Queen's Road Central
Hong Kong

Bank of China, Macau Branch
Bank of China Building
Avenida Doutor Mario Soares
Macau

Hang Seng Bank Limited
83 Des Voeux Road Central
Hong Kong

Nanyang Commercial Bank, Ltd.
151 Des Voeux Road Central
Hong Kong

The Bank of Nova Scotia
25/F., United Centre
95 Queensway
Hong Kong

Credit Agricole
30/F., Two Pacific Place
88 Queensway
Hong Kong

Company secretary

Ms. Tsang Mei Chu, Angela

EXPENSES

The expenses in connection with the Rights Issue, including the underwriting commission, printing, registration, translation, legal, accounting, and documentation charges are estimated to be approximately HK\$42.0 million and will be payable by the Company.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of this Prospectus, together with copies of the PAL and the EAF and the written consent referred to in the paragraphs headed "Expert's Qualification and Consent" in this appendix have been delivered to the Registrar of Companies in Hong Kong for registration as required by Section 38D of the Companies Ordinance.

LEGAL EFFECT

The Rights Issue Documents and all acceptances of any offer or application contained in such documents are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies Ordinance, so far as applicable.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (i.e. from 10:00 a.m. to 1:00 p.m. and from 2:00 p.m. to 5:30 p.m.) on Monday to Friday unless (i) a tropic cyclone warning signal number 8 or above is hoisted, or (ii) a black rainstorm warning signal is issued, except public holidays, from the date of this Prospectus up to and including 27 February 2012 at the registered office in Hong Kong of the Company:

- (a) the Letter from the Board, the text of which is set out on pages 10 to 33 of this Prospectus;
- (b) the report on unaudited pro forma statement of consolidated net tangible assets of the Group as set out in Appendix II to this Prospectus;
- (c) the written consent referred to in the paragraph headed "Expert's Qualification and Consent" in this appendix;
- (d) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;
- (e) the annual reports of the Company for the years ended 31 December, 2009 and 2010;
- (f) the memorandum and articles of association of the Company;
- (g) a copy of each circular of the Company pursuant to the requirements set out in Chapters 14 and/or 14A of the Listing Rules since 31 December 2010 (being the date to which the latest published audited consolidated financial statements of the Group were made up); and
- (h) this Prospectus.

GENERAL

- (a) The registered office of the Company is situated at Penthouse 39th Floor, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong.
- (b) The secretary of the Company is Ms. Tsang Mei Chu, Angela. She is an associate member of the Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.