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Shaw Holdings Inc.
(incorporated in the Republic of Nauru)

Shaw Brothers (Hong Kong) Limited
(incorporated in Hong Kong with limited liability)
(Stock Code: 00080)

JOINT ANNOUNCEMENT

**PROPOSAL TO PRIVATISE SHAW BROTHERS (HONG KONG) LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 166 OF THE COMPANIES ORDINANCE**

**PROPOSED WITHDRAWAL OF LISTING OF
SHAW BROTHERS (HONG KONG) LIMITED**

**RESUMPTION OF TRADING IN THE SHARES OF SHAW BROTHERS (HONG
KONG) LIMITED**

**Financial adviser to
Shaw Holdings Inc.**



Macquarie Capital (Hong Kong) Limited

THE PROPOSAL

The board of directors of the Offeror and the Board jointly announce that on 18 December 2008, the Offeror requested the Board to put forward to the Minority Shareholders the Proposal for the privatisation of the Company which, if approved and implemented, would result in the cancellation of the Scheme Shares, the Company becoming wholly-owned by the Offeror and parties acting in concert with it and the withdrawal of the listing of the Shares on the Stock Exchange. The Board has reviewed the Proposal and has agreed to put it forward to the Minority Shareholders.

The Proposal will be implemented by way of a scheme of arrangement under Section 166 of the Companies Ordinance. Upon the Scheme of Arrangement becoming effective, the Scheme Shares will be cancelled, the New Shares will be issued as fully paid to the Offeror and the listing of the Shares on the Stock Exchange will be withdrawn in accordance with Rule 6.15 of the Listing Rules.

Under the Scheme of Arrangement, the holders of Scheme Shares will receive from the Offeror the Cancellation Consideration as consideration for the cancellation of the Scheme Shares:

HK\$13.35 in cash for every Scheme Share cancelled

The Scheme of Arrangement is conditional upon the fulfilment or waiver, as applicable, of the conditions described in the section headed “Conditions of the Proposal”, which include, among others, the approval by the Minority Shareholders at the Court Meeting and the sanction by the High Court of the Scheme of Arrangement. If the conditions are not fulfilled or, if applicable, not waived on or before 31 March 2009 (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the High Court may direct), the Proposal will lapse. The listing of the Shares on the Stock Exchange will not be withdrawn if the Proposal is withdrawn, not approved or lapses.

The Shares beneficially owned by the Offeror and parties acting in concert with it, representing approximately 74.92% of the issued Shares, will not form part of the Scheme Shares and, as such, will not be voted at the Court Meeting.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Offeror and parties acting in concert with it hold an aggregate of 298,484,872 Shares, representing approximately 74.92% of the issued Shares. The Minority Shareholders hold an aggregate of 99,905,528 Shares, representing approximately 25.08% of the issued Shares.

Dr. Chow Yei Ching, an independent non-executive Director, is interested in 100,000 Shares, representing approximately 0.03% of the issued Shares as at the date of this announcement. Based on his confirmation that he is not acting in concert with the Offeror, he will be entitled to vote at the Court Meeting since his interests under the Scheme of Arrangement will not be different from those of any of the other Minority Shareholders.

As at the date of this announcement, the Company does not have in issue any outstanding options, warrants, derivatives or convertible securities.

INFORMATION ON THE OFFEROR

The Offeror is a corporation incorporated in the Republic of Nauru. It is wholly-owned by the Trust, the trustee of which is Shaw Trustee (Private) Limited. The appointor of the Trust is Sir Run Run Shaw and the beneficiaries of the Trust include any person or charity chosen by Shaw Trustee (Private) Limited pursuant to the trust deed. The directors of the Offeror consist of Ms Fong, Venus Choy, Meage Choy and Li Kit Yee Jenny.

The Offeror is an investment holding company.

IRREVOCABLE UNDERTAKING

The Offeror has obtained the Irrevocable Undertaking from ASB, pursuant to which ASB has undertaken, amongst other things, to vote (or use commercially reasonable efforts to procure votes) in favour of any resolution to be proposed for the purpose of approving or implementing the Scheme of Arrangement at the Court Meeting and the EGM in respect of the Undertaking Shares. The Irrevocable Undertaking will terminate in accordance with its terms on (a) 31 March 2009 or (b) the day after the date on which the Scheme of Arrangement (i) becomes effective, (ii) lapses or (iii) is withdrawn, whichever is the earliest. The Irrevocable Undertaking will also terminate with respect to any Undertaking Shares in the event that the client account for which ASB exercises voting powers and the power to transact purchases and sales of such shares has terminated or in respect of which its authority to so act has been revoked. In accordance with its terms, the Irrevocable Undertaking will extend to any revised scheme to privatise the Company submitted by the Company at the request of the Offeror to the shareholders of the Company which would result in the Company becoming wholly-owned by the Offeror and parties acting in concert with it and which represents, on such basis as the Offeror may consider appropriate, no diminution in the value of the Cancellation Consideration or any other material change to the terms of the Scheme of Arrangement (including any change in the form of the Cancellation Consideration but excluding any change in timing).

As at the date of this announcement, ASB holds 40,630,550 Undertaking Shares, representing approximately 10.20% of the issued Shares, in the capacity of an investment adviser with discretion to exercise voting powers attached to and transact purchases and sales of such shares on behalf of its clients.

FINANCIAL RESOURCES

The aggregate Cancellation Consideration payable in cash under the Proposal will be approximately HK\$1,334 million for 99,905,528 Scheme Shares, and will be funded by the internal resources of the Offeror.

Macquarie is satisfied that sufficient financial resources are available to the Offeror to implement the Proposal in accordance with its terms.

INDEPENDENT BOARD COMMITTEE OF THE COMPANY

An independent committee of the Board comprising Dr Chow Yei Ching, Ng Julie Yuk Shun and Nelson Hon Sang Chiu, being independent non-executive Directors, has been formed to advise the Minority Shareholders as to what action they should take in respect of the Scheme of Arrangement. The Company, with the approval of the independent committee of the Board, will appoint an independent financial adviser to advise the independent committee of the Board on such matters. A further announcement will be made by the Company upon the appointment of the independent financial adviser.

COMPOSITE DOCUMENT

A composite document including, among other things, further details of the Proposal, the Scheme of Arrangement, an explanatory statement, the expected timetable relating to the Scheme of Arrangement, the recommendations of the independent committee of the Board, the letter of advice from the independent financial adviser and notices of the Court Meeting and the EGM will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code. A further announcement will be made regarding the expected timetable for the Proposal.

WITHDRAWAL OF LISTING OF THE SHARES ON THE STOCK EXCHANGE

The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15 of the Listing Rules with effect from the date on which the Scheme of Arrangement becomes effective. If the Scheme of Arrangement is withdrawn, not approved or lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:30 a.m. on 15 December 2008 pending the issue of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 23 December 2008.

Shareholders and potential investors should note that the implementation of the Proposal is subject to the conditions set out in this announcement being fulfilled or waived, as applicable. The Scheme of Arrangement may or may not become effective. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

INTRODUCTION

On 18 December 2008, the Offeror requested the Board to put forward to the Minority Shareholders the Proposal which, if approved and implemented, would result in the cancellation of the Scheme Shares, the Company becoming wholly-owned by the Offeror and parties acting in concert with it and the withdrawal of the listing of the Shares on the Stock Exchange. The Proposal will be implemented by way of a scheme of arrangement under Section 166 of the Companies Ordinance. Upon the Scheme of Arrangement becoming effective, the Scheme Shares will be cancelled, the New Shares will be issued as fully paid to the Offeror and the listing of the Shares on the Stock Exchange will be withdrawn in accordance with Rule 6.15 of the Listing Rules.

Following a meeting of the Board on 18 December 2008, the Board has agreed to put forward the Proposal for consideration by the Minority Shareholders.

TERMS OF THE PROPOSAL

Under the Scheme of Arrangement, the holders of Scheme Shares will receive from the Offeror the Cancellation Consideration as consideration for the cancellation of the Scheme Shares:

HK\$13.35 in cash for every Scheme Share cancelled

COMPARISON OF VALUE

The Cancellation Consideration of HK\$13.35 in cash for each Scheme Share cancelled under the Proposal represents:

- a premium of approximately 64.2% over the closing price of the Shares of HK\$8.13 per Share as quoted on the Stock Exchange on the Last Trading Date;
- a premium of approximately 73.5% over the average closing price of the Shares of approximately HK\$7.70 per Share as quoted on the Stock Exchange for the one month ended the Last Trading Date;
- a premium of approximately 54.0% over the average closing price of the Shares of approximately HK\$8.67 per Share as quoted on the Stock Exchange for the three months ended the Last Trading Date;
- a discount of approximately 4.5% to the average closing price of the Shares of approximately HK\$13.98 per Share as quoted on the Stock Exchange for the six months ended the Last Trading Date; and
- a premium of approximately 169.7% over the unaudited consolidated net asset value per Share of approximately HK\$4.95 as at 30 September 2008.

As at the date of this announcement, the Company holds 113,888,628 shares in TVB, representing approximately 26% of the issued share capital of TVB. Based on the average closing price of HK\$24.75 per ordinary share of TVB for the five trading days ended the Last Trading Date, the value of the Company's 26% shareholding in TVB is approximately HK\$2,819 million (or HK\$7.07 per Share).

Highest and lowest prices

During the six month period preceding the Last Trading Date, the highest closing price and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$23.50 per Share on 26 June 2008 and HK\$6.00 per Share on 27 October 2008, respectively.

SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company as at the date of this announcement and immediately upon completion of the Proposal:

Shareholders	As at the date of this announcement			Upon completion of the Proposal		
	Number Shares	of	%	Number Shares	of	%
The Offeror and parties acting in concert with it (Note 1)	298,484,872		74.92	398,390,400		100.00
Minority Shareholders (Note 2)	99,905,528		25.08	0		0
Total issued Shares	<u>398,390,400</u>		<u>100.00</u>	<u>398,390,400</u>		<u>100.00</u>

Note 1: Among the 298,484,872 Shares, 263,610,872 Shares are held directly by the Offeror, 11,761,000 Shares and 21,735,000 Shares are held by Double One Limited and The Shaw Foundation Hong Kong Limited, the wholly-owned subsidiaries of the Offeror, respectively and 1,378,000 Shares are held by Ms Fong, a party acting in concert with the Offeror.

Note 2: Among the 99,905,528 Shares, 100,000 Shares are held by Dr. Chow Yei Ching, an independent non-executive Director and 40,630,550 Undertaking Shares are held by ASB.

The Shares beneficially owned by the Offeror and parties acting in concert with it, representing approximately 74.92% of the issued Shares, will not form part of the Scheme Shares and, as such, will not be voted at the Court Meeting.

Dr. Chow Yei Ching, an independent non-executive Director, is interested in 100,000 Shares, representing approximately 0.03% of the issued Shares as at the date of this announcement. Based on his confirmation that he is not acting in concert with the Offeror, he will be entitled to vote at the Court Meeting since his interests under the Scheme of Arrangement will not be different from those of any of the other Minority Shareholders.

As at the date of this announcement, the Company does not have in issue any outstanding options, warrants, derivatives or convertible securities.

CONDITIONS OF THE PROPOSAL

The Scheme of Arrangement will become effective and binding on the Company, the Offeror and all the other Shareholders subject to the fulfillment or waiver, as applicable, of the following conditions:

- (a) the approval of the Scheme of Arrangement (by way of poll) by a majority in number of the Minority Shareholders present and voting either in person or by proxy at the Court Meeting representing not less than three-fourths in nominal value of those Shares that are voted either in person or by proxy by the Minority Shareholders at the Court Meeting, provided that the number of votes cast against the resolution to approve the Scheme of Arrangement at the Court Meeting is not more than 10% of the votes attaching to all the Shares held by the Minority Shareholders;
- (b) the passing of a special resolution by a majority of not less than 75% of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to give effect to the Scheme of Arrangement, including the approval of the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and of the issue of the New Shares to the Offeror;
- (c) the sanction of the Scheme of Arrangement (with or without modifications) and the confirmation of the reduction of the issued share capital of the Company involved in the Scheme of Arrangement by the High Court;
- (d) an office copy of the order of the High Court, together with a minute relating to the reduction of the issued share capital of the Company containing the particulars required by Section 61 of the Companies Ordinance, being registered by the Registrar of Companies in Hong Kong;

- (e) all Authorizations in connection with the Proposal having been obtained from or granted by (as the case may be) the Relevant Authorities in Hong Kong and any other relevant jurisdictions;
- (f) all Authorizations remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any of the Relevant Authorities which is not expressly provided for, or is in addition to the requirements expressly provided for, in the relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each case up to and at the time when the Scheme of Arrangement becomes effective; and
- (g) all necessary consents which may be required under any existing contractual obligations of the Group having been obtained and remaining in full force and effect without modification.

The Offeror reserves the right to waive condition (g) either in whole or in part in respect of any particular matter. In the event that condition (e) or condition (f) is not fulfilled, the Offeror reserves the right to assess the materiality of such non-fulfilment and to waive the fulfilment of any such condition to such extent as it considers appropriate. Conditions (a) to (d) cannot be waived in any event. All of the above conditions will have to be fulfilled or waived, as applicable, on or before 31 March 2009 (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the High Court may direct), otherwise the Proposal will lapse. If the Proposal is withdrawn, not approved or lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

REASONS FOR THE PROPOSAL

The Directors (excluding the independent non-executive Directors) are of the view that the terms of the Proposal are attractive to the Minority Shareholders and that the proposed privatisation of the Company will be beneficial to the Minority Shareholders in a number of ways.

The Directors (excluding the independent non-executive Directors) consider that the Proposal provides an opportunity for the Minority Shareholders to realise their shareholdings in the Company which have a relatively low degree of market liquidity in return for cash. In this regard, the Board notes that the trading volume of the Shares on the Stock Exchange in recent years has been generally low. The average daily traded volume of the Shares over the twenty four month period prior to this announcement was approximately 331,689 Shares, representing approximately 0.08% of the issued Shares as at the date of this announcement.

Given the low liquidity of the Shares traded on the Stock Exchange, the directors of the Offeror and the Directors (excluding the independent non-executive Directors) believe that there is currently limited opportunity for the Minority Shareholders to divest their investment in the Company.

Over the six month period prior to the Last Trading Date, the price of the Shares fell by approximately 60.8% and the market, as represented by the Hang Seng Index, fell by approximately 34.7%. During the period from the peak of the Hang Seng Index at 31,638 on 30 October 2007 to the Last Trading Date, the Hang Seng Index fell by approximately 53.4% and the price of the Shares fell by approximately 49.2%.

The Proposal provides the Minority Shareholders with an opportunity to realise their investment in the Company for cash during current poor market conditions, and at a significant premium to the market price prevailing on the Last Trading Date.

In addition, the Proposal allows the Minority Shareholders the opportunity to redeploy capital invested in the Company into other investment opportunities that they may consider more attractive in the current market environment.

FINANCIAL RESOURCES

Total cash consideration

The aggregate Cancellation Consideration payable in cash under the Proposal will be approximately HK\$1,334 million for 99,905,528 Scheme Shares, and will be funded by the internal resources of the Offeror.

Confirmation of financial resources

Macquarie is satisfied that sufficient financial resources are available to the Offeror to implement the Proposal in accordance with its terms.

As at the Last Trading Date, Macquarie did not hold any voting rights or other rights over the Shares.

IRREVOCABLE UNDERTAKING

The Offeror has obtained the Irrevocable Undertaking from ASB, pursuant to which ASB has undertaken, amongst other things, to vote (or use commercially reasonable efforts to procure votes) in favour of any resolution to be proposed for the purpose of approving or implementing the Scheme of Arrangement at the Court Meeting and the EGM in respect of the Undertaking Shares. ASB has also undertaken in the Irrevocable Undertaking (a) not to sell, transfer, assign or otherwise dispose of any interest in or right attached to any of the Undertaking Shares until such time as the Scheme of Arrangement shall have become effective or the Scheme of Arrangement shall have lapsed or have been withdrawn, provided however that ASB may sell, transfer, assign or otherwise dispose of interests in or rights attached to any Undertaking Shares if such action is necessary for it to fulfil its fiduciary duty to its clients; and (b) not to acquire any interest in or right over shares of the Company after the date of the Irrevocable Undertaking. The Irrevocable Undertaking will terminate in accordance with its terms on (a) 31 March 2009 or (b) the day after the date on which the Scheme of Arrangement (i) becomes effective, (ii) lapses or (iii) is withdrawn, whichever is the earliest. The Irrevocable Undertaking will also terminate with respect to any Undertaking Shares in the event that the client account for which ASB exercises voting powers and the power to transact purchases and sales of such shares has terminated or in respect of which its authority to so act has been revoked. In accordance with its terms, the Irrevocable Undertaking will extend to any revised scheme to privatise the Company submitted by the Company at the request of the Offeror to the shareholders of the Company which would result in the Company becoming wholly-owned by the Offeror and parties acting in concert with it and which represents, on such basis as the Offeror may consider appropriate, no diminution in the value of the Cancellation Consideration or any other material change to the terms of the Scheme of Arrangement (including any change in the form of the Cancellation Consideration but excluding any change in timing).

As at the date of this announcement, ASB holds 40,630,550 Undertaking Shares, representing approximately 10.20% of the issued Shares, in the capacity of an investment adviser with discretion to exercise voting powers attached to and transact purchases and sales of such shares on behalf of its clients. ASB is an investment management firm engaged in the provision of investment advisory services to institutional and individual clients.

INFORMATION ON THE COMPANY

The Company is a limited company incorporated in Hong Kong whose shares are listed on the Stock Exchange. As at the date of this announcement, the Company holds 113,888,628 ordinary shares in TVB, representing approximately 26.00% of the total issued share capital of TVB. In addition, the Offeror (through a wholly-owned subsidiary) holds 27,286,200 ordinary shares and Ms Fong holds 1,146,000 ordinary shares in TVB, representing approximately 6.23% and 0.26% of the total issued share capital of TVB, respectively. The shares of TVB are listed on the Stock Exchange.

The Offeror and parties acting in concert with it, together, already have statutory control (as defined in the Takeovers Code) of the Company by virtue of its holding approximately 74.92% of the Shares in issue as at the date of this announcement and the implementation of the Proposal will not result in the Offeror, any party acting in concert with it or the Company acquiring any additional shares in TVB. On such basis, the implementation of the Proposal will not result in the acquisition or consolidation of control (as defined in the Takeovers Code) of TVB by the Offeror or parties acting in concert with it and hence, there will not be any general offer for the shares in TVB under the chain principle referred to in Note 8 to Rule 26.1 of the Takeovers Code.

The Group is principally engaged in investment holding and investments in the media and entertainment industries.

A summary of the audited consolidated results of the Company for each of the two financial years ended 31 March 2007 and 31 March 2008 and the unaudited consolidated results of the Company for six months ended 30 September 2008 is set out below:

	For the year ended 31 March 2007 HK\$'000	For the year ended 31 March 2008 HK\$'000	For six mont hs ended 30 September 20 08 HK\$'000
Turnover	43,311	33,457	10,018
Profit before taxation	293,794	311,400	115,501
Profit after taxation	293,794	311,400	115,501
Profit attributable to Shareholders	293,794	311,400	115,501
Dividends	179,276	187,243	19,920
Basic earnings per Share (<i>HK cents</i>)	0.74	0.78	0.29

The audited consolidated net assets attributable to the Shareholders were approximately HK\$1,884 million as at 31 March 2007 and approximately HK\$2,016 million as at 31 March 2008. The unaudited consolidated net assets attributable to the Shareholders were approximately HK\$1,972 million as at 30 September 2008.

INFORMATION ON THE OFFEROR

The Offeror is a corporation incorporated in the Republic of Nauru. It is wholly-owned by the Trust, the trustee of which is Shaw Trustee (Private) Limited. The appointor of the Trust is Sir Run Run Shaw and the beneficiaries of the Trust include any person or charity chosen by Shaw Trustee (Private) Limited pursuant to the trust deed. The directors of the Offeror consist of Ms Fong, Venus Choy, Meage Choy and Li Kit Yee Jenny.

The Offeror is an investment holding company.

FUTURE PLANS FOR THE GROUP

It is the intention of the Offeror to continue the existing businesses of the Group upon the successful privatisation of the Company. The Offeror does not have any intention to introduce any significant changes to the existing operations and management of the Group, nor does it have any intention to make any changes to the continued employment of the Group's employees. On the other hand, the Offeror will continue to assess any business opportunity that may arise from time to time involving the business and/or assets of the Group.

WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme of Arrangement becoming effective, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15 of the Listing Rules with effect from the date on which the Scheme of Arrangement becomes effective. The Scheme of Arrangement will lapse if any of the conditions described in the section headed "Conditions of the Proposal" has not been fulfilled or waived, as applicable, on or before 31 March 2009 (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the High Court may direct). The holders of the Scheme Shares will be notified by way of an announcement of the dates of the last day for dealing in the Shares and on which the Scheme of Arrangement and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed timetable of the Scheme of Arrangement will be included in the composite document referred to in the section headed "Composite document". The composite document will also contain, among other things, further details of the Proposal and the Scheme of Arrangement.

If the Scheme of Arrangement is withdrawn, not approved or lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

OVERSEAS SHAREHOLDERS

The making of the Proposal to those Minority Shareholders who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions where such Minority Shareholders are located. Such Minority Shareholders should inform themselves and observe any applicable legal and regulatory requirements of their own jurisdictions. It is the responsibility of any overseas Minority Shareholders wishing to accept the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

INDEPENDENT COMMITTEE OF THE BOARD

An independent committee of the Board comprising Dr Chow Yei Ching, Ng Julie Yuk Shun and Nelson Hon Sang Chiu, being independent non-executive Directors, has been formed to advise the Minority Shareholders as to what action they should take in respect of the Scheme of Arrangement.

The Company, with the approval of the independent committee of the Board, will appoint an independent financial adviser to advise the independent committee of the Board on such matters. A further announcement will be made by the Company upon the appointment of the independent financial adviser.

COMPOSITE DOCUMENT

A composite document including, among other things, further details of the Proposal, the Scheme of Arrangement, an explanatory statement, the expected timetable relating to the Scheme of Arrangement, the recommendations of the independent committee of the Board, the letter of advice from the independent financial adviser and notices of the Court Meeting and the EGM will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code. A further announcement will be made regarding the expected timetable for the Proposal.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:30 a.m. on 15 December 2008 pending the issue of this announcement. Application has been made to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 23 December 2008.

GENERAL

Associates of the Company and the Offeror are reminded to disclose their dealings in any securities of the Company.

Stockbrokers, banks and others who deal in relevant securities (as defined in the Takeovers Code) on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to Associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant securities undertaken for a client during any seven day period is less than HK\$1 million.

This dispensation does not alter the obligations of principals, Associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.

WARNING

Shareholders and potential investors should note that the implementation of the Proposal is subject to the conditions set out in this announcement being fulfilled or waived, as applicable. The Scheme of Arrangement may or may not become effective. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“acting in concert”	has the meaning given to it in the Takeovers Code
“ASB”	Arnhold and S. Bleichroeder Advisers, LLC, a limited liability company established in Delaware, United States of America, which, as at the date of this announcement, holds 40,630,550 Undertaking Shares, representing approximately 10.20% of the issued Shares, in the capacity of an investment adviser with discretion to exercise voting powers attached to and transact purchases and sales of such shares on behalf of its clients
“Associate(s)”	has the meaning given to it in the Takeovers Code
“Authorizations”	all necessary authorizations, registrations, filings, rulings, consents, permissions, waivers, exemptions and approvals in connection with the Proposal or the implementation of the Scheme of Arrangement
“Board”	the board of Directors
“Cancellation Consideration”	the consideration of HK\$13.35 in cash for every Scheme Share cancelled
“Companies Ordinance”	Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	Shaw Brothers (Hong Kong) Limited, a limited company incorporated in Hong Kong whose Shares are listed on the Stock Exchange
“Court Meeting”	a meeting of the Minority Shareholders to be convened at the direction of the High Court for the purpose of approving the Scheme of Arrangement
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be held immediately following the Court Meeting for the purpose of approving the reduction of the issued share capital of the Company, the issue of the New Shares to the Offeror and implementation of the Scheme of Arrangement

“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Group”	the Company and its subsidiaries
“High Court”	High Court of Hong Kong
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administration Region of the People’s Republic of China
“Irrevocable Undertaking”	the irrevocable undertaking given by ASB in favour of the Offeror and Macquarie, pursuant to which ASB has undertaken, amongst other things, to vote (or use commercially reasonable efforts to procure votes) in favour of any resolution to be proposed for the purpose of approving or implementing the Scheme of Arrangement at the Court Meeting and the EGM
“Last Trading Date”	12 December 2008, being the last full trading day before the suspension of trading in the Shares pending the issue of this announcement
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Macquarie”	Macquarie Capital (Hong Kong) Limited, a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), licensed to conduct Type 6 (advising on corporate finance) regulated activity, which is the financial advisor to the Offeror in connection with the Proposal
"Minority Shareholders"	Shareholders other than those holding the Shares beneficially owned by the Offeror and parties acting in concert with the Offeror
“Ms Fong”	Mona Fong, a Director
“New Shares”	new Shares to be issued to the Offeror pursuant to the Scheme of Arrangement, the number of which is equal to the Number of Scheme Shares cancelled
"Offeror"	Shaw Holdings Inc., a corporation incorporated in the Republic of Nauru, which is wholly-owned by the Trust
“Proposal”	the proposed privatisation of the Company by the Offeror by way of the Scheme of Arrangement

"Record Time"	4:00 p.m. Hong Kong time on the trading day immediately preceding the day when the Scheme of Arrangement becomes effective, being the record time for determining entitlements of the Minority Shareholders under the Scheme of Arrangement
"Registrar of Companies"	the Registrar of Companies appointed under the Companies Ordinance
"Relevant Authorities"	appropriate governments or governmental bodies, regulatory bodies, courts or institutions including the SFC and the Stock Exchange
"Scheme of Arrangement"	the scheme of arrangement under Section 166 of the Companies Ordinance for the implementation of the Proposal
"Scheme Share(s)"	Share(s) in issue at the Record Time, including any Share(s) which may be issued by the Company following the date of this announcement, other than those beneficially owned by the Offeror and parties acting in concert with it
"SFC"	Securities and Futures Commission
"Share(s)"	ordinary shares of HK\$0.25 each in the capital of the Company
"Shareholder(s)"	registered holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	Hong Kong Code on Takeovers and Mergers
"Trust"	the Sir Run Run Shaw Charitable Trust
"TVB"	Television Broadcasts Limited, a limited company incorporated in Hong Kong whose shares are listed on the Stock Exchange (stock code: 511)
"Undertaking Shares"	40,630,550 Shares held by ASB in the capacity of an investment adviser with discretion to exercise voting powers attached to and transact purchases and sales of such shares on behalf of its clients

By order of
the board of directors of
SHAW HOLDINGS INC.
Mona Fong
Director

By order of
the board of directors of
**SHAW BROTHERS (HONG KONG)
LIMITED**
Jeremiah Rajakulendran
Company Secretary

Hong Kong, 22 December 2008

As at the date of this announcement, the board of directors of the Offeror comprises Mona Fong, Venus Choy, Meage Choy and Li Kit Yee Jenny.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, other than those relating to the Company and its subsidiaries, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement other than those expressed by the Company have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement, other than those relating to the Company and its subsidiaries, in this announcement misleading.

As at the date of this announcement, the Board comprises Sir Run Run Shaw (GBM), Mona Fong and Jeremiah Rajakulendran as executive Directors, Dr. Chow Yei Ching, Ng Julie Shuk Shun and Nelson Hon Sang Chiu as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, other than those relating to the Offeror, its subsidiaries and parties acting in concert with it (except the Group) and ASB, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement, other than those expressed by the Offeror, have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement, other than those relating to the Offeror, its subsidiaries and parties acting in concert with it (except the Group) and ASB, in this announcement misleading.