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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**

DESPATCH OF THE COMPOSITE DOCUMENT

Financial adviser to Shaw Holdings Inc.



**Independent financial adviser to the Independent Board Committee of
Shaw Brothers (Hong Kong) Limited**



The Composite Document will be despatched to the Shareholders on Tuesday, 3 February 2009.

The respective notices of the Court Meeting and the EGM to be held on Friday, 27 February 2009 are set out in the Composite Document.

Minority Shareholders should consider carefully the recommendations of the Independent Board Committee and the factors, reasons and recommendations relating to the Proposal as set out in the letter from Somerley, the independent financial adviser to the Independent Board Committee, before making a decision on the Proposal.

Shareholders and potential investors should note that the implementation of the Proposal is subject to the conditions of the Proposal 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

Reference is made to the announcement dated 22 December 2008 issued jointly by the Company and the Offeror (the “**Joint Announcement**”), in which the Company and the Offeror jointly announced that 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 the Offeror 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. Reference is also made to the announcement dated 29 December 2008 issued by the Company in relation to, among others, the appointment of Somerley Limited (“**Somerley**”) as the independent financial adviser to the independent committee of the Board (the “**Independent Board Committee**”) and the announcement dated 12 January 2009 issued jointly by the Company and the Offeror in relation to the delay in the despatch of the composite document relating to the Proposal (the “**Composite Document**”).

Unless the context otherwise requires, terms defined in the Joint Announcement shall have the same meanings when used herein. All references in this announcement to times and dates are references to Hong Kong times and dates.

DESPATCH OF THE COMPOSITE DOCUMENT

The Composite Document containing, among other things, a letter from the Board, a letter from the Independent Board Committee, a letter of advice from Somerley, the explanatory statement required under Section 166A of the Companies Ordinance in relation to the Scheme of Arrangement, the expected timetable relating to the Proposal, the Scheme of Arrangement and the notices of the Court Meeting and the EGM, will be despatched to the Shareholders on Tuesday, 3 February 2009.

RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE AND SOMERLEY

The Independent Board Committee, comprising Dr. Chow Yei Ching, Ms. Ng Julie Yuk Shun and Mr. Nelson Hon Sang Chiu, being independent non-executive Directors, has been established to advise the Minority Shareholders as to what action they should take in respect of the Scheme of Arrangement. Somerley has been appointed as the independent financial adviser to advise the Independent Board Committee in respect of the Proposal.

The advice of Somerley and the recommendations of the Independent Board Committee are set out in the Composite Document. Minority Shareholders should consider carefully the recommendations of the Independent Board Committee and the factors, reasons and recommendations relating to the Proposal as set out in the letter from Somerley before making a decision on the Proposal.

MEETINGS

The Court Meeting and the EGM will be held at 10:00 a.m. and 10:30 a.m. (or as soon thereafter as the Court Meeting shall have been concluded or adjourned) respectively on Friday, 27 February 2009, at the Fanling Room, Lower Level I, Kowloon Shangri-La Hotel, Tsim Sha Tsui East, Kowloon, Hong Kong. Notices of those meetings are set out in the Composite Document. For the purposes of those meetings, trading in the Shares are expected to be suspended from 9:30 a.m. on Friday, 27 February 2009 until the release of the results of those meetings, which is expected to be no later than 7:00 p.m. on the same day.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining (i) the Minority Shareholders who are entitled to attend and vote at the Court Meeting and (ii) the Shareholders who are entitled to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 20 February 2009 to Friday, 27 February 2009 (both dates inclusive). During such period, no transfer of Shares will be effected. In order to qualify to vote at the Court Meeting or the EGM, all transfers accompanied by the relevant share certificates (if applicable) must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Thursday, 19 February 2009.

If the resolutions to be proposed at the Court Meeting and the EGM are duly approved by the requisite majority of Shareholders attending and voting at the meetings, the latest time for trading in the Shares on the Stock Exchange is expected to be 4:10 p.m. on Monday, 9 March 2009. The Record Time for the purpose of determining the entitlements of the Minority Shareholders under the Scheme of Arrangement is expected to be 4:00 p.m. on Tuesday, 17 March 2009. In order to qualify for the entitlements under the Scheme of Arrangement, all transfers accompanied by the relevant share certificates (if applicable) must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Thursday, 12 March 2009.

CONDITIONS OF THE PROPOSAL

Subject to all the conditions of the Proposal being fulfilled or waived (as applicable), it is expected that the Scheme of Arrangement will become effective on Wednesday, 18 March 2009. Details of the conditions of the Proposal are set out in the explanatory statement contained in the Composite Document. The Proposal will lapse if the conditions of the Proposal have 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 listing of the Shares on the Stock Exchange will be withdrawn if 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.

Shareholders and potential investors should note that the implementation of the Proposal is subject to the conditions of the Proposal 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.

EXPECTED TIMETABLE

The following timetable takes into account the High Court procedures for the Scheme of Arrangement. The expected timetable is indicative only and is subject to change.

Hong Kong time

Latest time for lodging transfers of Shares to qualify for attending and voting at the Court Meeting and the EGM 4:30 p.m. on Thursday, 19 February 2009

Closure of the register of members of the Company for determination of entitlements of the Minority Shareholders to attend and vote at the Court Meeting and of the Shareholders to attend and vote at the EGM (*Note 1*) Friday, 20 February 2009 to Friday, 27 February 2009 (both dates inclusive)

Latest time for lodging forms of proxy in respect of:

the Court Meeting (*Note 2*) 10:00 a.m. on Wednesday, 25 February 2009

the EGM (*Note 2*) 10:30 a.m. on Wednesday, 25 February 2009

Suspension of trading in the Shares 9:30 a.m. on Friday, 27 February 2009

The Court Meeting (<i>Note 3</i>)	10:00 a.m. on Friday, 27 February 2009
The EGM (<i>Note 3</i>)	10:30 a.m. on Friday, 27 February 2009
	or as soon thereafter as the Court Meeting shall have been concluded or adjourned
Announcement of the results of the Court Meeting and the EGM posted on the website of the Stock Exchange.....	no later than 7:00 p.m. on Friday, 27 February 2009
Resumption of trading in the Shares	9:30 a.m. on Monday, 2 March 2009
Latest time for trading in the Shares	4:10 p.m. on Monday, 9 March 2009
High Court hearing of the summons for directions in respect of the capital reduction	Tuesday, 10 March 2009
Latest time for lodging transfers of Shares to qualify for entitlements of the Minority Shareholders under the Scheme of Arrangement	4:30 p.m. on Thursday, 12 March 2009
Closure of the register of members of the Company for determination of entitlements of the Minority Shareholders under the Scheme of Arrangement	From Friday, 13 March 2009 to Tuesday, 17 March 2009 (both dates inclusive)
High Court hearing of the petition to sanction the Scheme of Arrangement	Tuesday, 17 March 2009
Record Time	4:00 p.m. on Tuesday, 17 March 2009
Announcement of the results of the High Court hearing of the petition to sanction the Scheme of Arrangement	no later than 7:00 p.m. on Tuesday, 17 March 2009
Effective Date (<i>Note 4</i>)	Wednesday, 18 March 2009

Withdrawal of the listing of the Shares on the Stock Exchange becomes effective after close of business on Wednesday, 18 March 2009

Announcement on the Effective Date and withdrawal of the listing of the Shares on the Stock Exchange Wednesday, 18 March 2009

Cheques for the payment of the Cancellation Consideration to be despatched on or before Friday, 27 March 2009

Shareholders should note that the above timetable, which is dependent on all the conditions of the Proposal being fulfilled and/or otherwise waived (as the case may be) and the availability of the dates of the High Court to hear the proceedings for the sanctioning of the Scheme of Arrangement, is subject to change. Further announcement(s) will be made in the event that there is any such change.

Notes:

- 1 The register of members of the Company will be closed during such period for the purpose of determining entitlements of the Minority Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the EGM. For the avoidance of doubt, this period of closure is not for determining entitlements under the Scheme of Arrangement.
- 2 Forms of proxy should be deposited at the registered office of the Company at Lot 220 Clear Water Bay Road, Kowloon, Hong Kong as soon as possible and by the times and dates stated above. The forms of proxy in respect of the Court Meeting may be handed to the Chairman of the Court Meeting if it is not so lodged. A vote cast by proxy shall not be invalidated by the revocation of the appointment of the proxy or of the authority under which the appointment was made unless notice in writing of such revocation shall have been received by the Company at the registered office of the Company, Lot 220 Clear Water Bay Road, Kowloon, Hong Kong, not later than 24 hours before, or by the company secretary of the Company or the chairman of the meeting on the day and at the place, but before commencement, of the meeting. In the case of any beneficial owner of Shares whose Shares are held upon trust by and registered in the name of a nominee, trustee, depository or any other authorised custodian or third party, or in the case of any beneficial owner whose Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited, your attention is drawn to the paragraph headed “Shareholders who hold their Shares through trust or CCASS” in the explanatory statement contained in the Composite Document.
- 3 Both the Court Meeting and the EGM will be held at the Fanling Room, Lower Level I, Kowloon Shangri-La Hotel, Tsim Sha Tsui East, Kowloon, Hong Kong at the time and dates specified above.
- 4 The Scheme of Arrangement will become effective upon all the conditions of the Proposal being fulfilled and/or otherwise waived (as the case may be).

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.

STATEMENT OF INDEBTEDNESS

As at 30 November 2008, the Group had total capital commitments of approximately HK\$41.7 million, comprising the Group's share of funding to an associate for its development of film studio and ancillary facilities of approximately HK\$41.2 million and the acquisition of plant and equipment of approximately HK\$0.5 million.

Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of business, the Group did not have, at the close of business on 30 November 2008, any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loan or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, obligations under hire purchase contracts or finance leases, guarantees, or material contingent liabilities.

For the purpose of the above statement of indebtedness, foreign currency amounts have been translated into Hong Kong dollars at their respective exchange rates prevailing at the close of business on 30 November 2008.

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, 2 February 2009

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 Yuk 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.