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**MAGNIFICENT HOTEL  
INVESTMENTS LIMITED**  
(incorporated in Hong Kong  
with limited liability)  
(Stock Code: 201)

**VERY SUBSTANTIAL  
DISPOSAL**



**SHUN HO PROPERTY  
INVESTMENTS LIMITED**  
(incorporated in Hong Kong  
with limited liability)  
(Stock Code: 219)

**VERY SUBSTANTIAL  
DISPOSAL**



**SHUN HO HOLDINGS  
LIMITED**  
(incorporated in Hong Kong  
with limited liability)  
(Stock Code: 253)

**VERY SUBSTANTIAL  
DISPOSAL**

## **JOINT ANNOUNCEMENT**

### **VERY SUBSTANTIAL DISPOSAL IN RELATION TO DISPOSAL OF A SUBSIDIARY**

#### **THE DISPOSAL**

The Boards are pleased to announce that, on 11 May 2022, the Vendor, a directly wholly-owned subsidiary of MHI, has entered into the Sale and Purchase Agreement with the Purchaser and MHI as guarantor for the obligations of the Vendor, pursuant to which the Purchaser has agreed to acquire and accept the assignment of and the Vendor has agreed to sell the Sale Shares and assign the Sale Loan to the Purchaser at a consideration of HK\$900,000,000, subject to adjustments. The maximum consideration expected to be payable by the Purchaser after adjustment would not exceed HK\$920,000,000. The Target Company is the sole legal and beneficial owner of the Property.

#### **LISTING RULES IMPLICATION**

MHI, SHP and SHH are all listed on the Stock Exchange. As at the date of this announcement, SHH owns approximately 66.13% of the total issued shares of SHP, whereas SHP owns approximately 71.09% of the total issued shares of MHI.

Since one of the applicable percentage ratios for the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal for each of SHH, SHP and MHI and are subject to the reporting, announcement, circular and SHH Shareholders' approval, SHP Shareholders' approval and MHI Shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **GENERAL**

The SHH EGM, SHP EGM and MHI EGM will be convened for the purpose of considering and, if thought fit, approving the entering into of the Sale and Purchase Agreement, the Disposal and the transactions contemplated thereunder. A circular containing, amongst other things, further information on the Disposal, the financial information of the Group, the notice of each of the SHH EGM, SHP EGM and MHI EGM and other information as required under the Listing Rules will be despatched to the SHH Shareholders, SHP shareholders and MHI Shareholders respectively on or before 31 May 2022.

To the best of the Boards' knowledge, information and belief, having made all reasonable enquiries, no shareholder has a material interest in the Disposal as at the date of this announcement and therefore, no Shareholder is required to abstain from voting at the SHH EGM, SHP EGM and MHI EGM for the relevant resolution(s).

The majority shareholder(s) of each of SHH, SHP and MHI have indicated to the Purchaser that they will vote in favour of the resolutions at the SHH EGM, SHP EGM and MHI EGM respectively to approve the entering into of the Sale and Purchase Agreement, the Disposal and the transactions contemplated thereunder.

The Boards are pleased to announce that, on 11 May 2022, the Vendor, a directly wholly-owned subsidiary of MHI, has entered into the Sale and Purchase Agreement with the Purchaser and MHI as guarantor for the obligations of the Vendor, pursuant to which the Purchaser has agreed to acquire the Sale Shares and accept the assignment of the Sale Loan and the Vendor has agreed to sell the Sale Shares and assign all the Sale Loan to the Purchaser at the Initial Purchase Price (as defined under the section headed "Consideration"), subject to adjustments. The maximum consideration expected to be payable by the Purchaser after adjustment would not exceed HK\$920,000,000. The Target Company is the sole legal and beneficial owner of the Property.

The principal terms of the Sale and Purchase Agreement are set out below.

## **THE SALE AND PURCHASE AGREEMENT**

### **Date**

11 May 2022

### **Parties**

Vendor : Babenna Limited, a directly wholly-owned subsidiary of MHI

Purchaser : SYP Investment Limited

Vendor's guarantor : Magnificent Hotel Investments Limited

To the best of the Boards' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

## Subject Matter

Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to acquire the Sale Shares and accept the assignment of the Sale Loan and the Vendor has agreed to sell the Sale Shares and assign the Sale Loan to the Purchaser at a the Initial Purchase Price (as defined under the section headed "Consideration"), subject to adjustments. The maximum consideration expected to be payable by the Purchaser after adjustment would not exceed HK\$920,000,000. The Target Company is the sole legal and beneficial owner of the Property. MHI has agreed to guarantee the obligations of the Vendor under the Sale and Purchase Agreement.

For further information relating to the Target Company, please refer to the section headed "Information on the Target Company" below.

## Consideration

Pursuant to the Sale and Purchase Agreement, the consideration payable by the Purchaser is HK\$900,000,000 plus the amount of the Net Asset Value as set out in the Pro Forma Completion Accounts (if it is a positive amount) or minus the absolute value of the amount of the Net Asset Value as set out in the Pro Forma Completion Accounts (if it is a negative amount) ("**Initial Purchase Price**") (subject to the adjustment mechanism set out in the paragraph headed "Adjustment of consideration" below). The payment arrangement of the consideration is as follows:

- (a) an aggregate amount of HK\$9,000,000 representing earnest money ("**Earnest Money**") was paid on behalf of the Purchaser to the Vendor's solicitors as stakeholders on 25 February 2022, which shall be applied as initial deposit upon execution of the Sale and Purchase Agreement and represent part payment of the Purchase Price upon Completion;
- (b) a further deposit in the amount of HK\$136,000,000 (together with the Earnest Money, such balance shall be referred to as the "**Deposit**") has been paid to the Vendor's solicitors upon the execution of the Sale and Purchase Agreement, which shall represent part payment of the Purchase Price upon Completion;
- (c) an amount equal to the balance of the Initial Purchase Price after deducting the Deposit (such balance shall be referred to as the "**Completion Payment**") shall be paid by the Purchaser to the Vendor or MHI (being the Vendor's guarantor) at Completion; and
- (d) an amount in respect of the adjustment of the Initial Purchase Price shall be paid by the Purchaser or the Vendor (as the case may be) in accordance with the section headed "Adjustment of the consideration" below.

provided that the Deposit shall be held by the Vendor's solicitors as stakeholders and not to be released to the Vendor until either upon Completion (in which case the Deposit shall represent part payment of the Purchase Price) or upon its release or forfeiture as described in the section headed "Conditions Precedent" below.

### **Adjustment of the consideration**

The Initial Purchase Price shall be subject to the following adjustments following agreement or determination of the Completion Accounts:

- (a) there shall be added to the Initial Purchase Price the amount (if any) by which the Net Asset Value (determined by reference to the Completion Accounts) is more (or less negative) than the Net Asset Value (determined by reference to the Pro Forma Completion Accounts); and
- (b) there shall be deducted from the Initial Purchase Price the amount (if any) by which the Net Asset Value (determined by reference to the Completion Accounts) is less (or more negative) than the Net Asset Value (determined by reference to the Pro Forma Completion Accounts).

Within 15 Business Days after agreement or determination of the Completion Accounts in accordance with the terms of the Sale and Purchase Agreement:

- (a) if the Initial Purchase Price is increased pursuant to adjustment mechanism mentioned above, the Purchaser shall pay to the Vendor's solicitors as agent for the Vendor the amount of the increase; and
- (b) if the Initial Purchase Price is reduced pursuant to adjustment mechanism mentioned above, the Vendor shall pay to the Purchaser's solicitors as agent for the Purchaser the amount of the reduction.

### **Basis of the consideration**

The consideration under the Sale and Purchase Agreement was determined after arm's length negotiations between the Vendor and the Purchaser, having taken into account of, among other things:

- (i) the net asset value of the Target Company as at 31 December 2021;
- (ii) the financial statements of the Target Company for the two financial years ended 31 December 2021 and 31 December 2020, details of which can be found in the section headed "Information on the Target Company" of this announcement; and
- (iii) the valuation of the Property as at 31 December 2021, being HK\$770,000,000 appraised by Cushman & Wakefield, an independent valuer.

## Valuation of the Property

Details of the valuation of the Property held by the Target Company are set out below:

**Basis of Valuation** : The valuation of the Property represented its market value which in accordance with the HKIS Valuation Standards 2020 published by the Hong Kong Institute of Surveyors is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

**Valuation Assumptions** : The valuation of the Property excluded an estimate price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

No allowance has been made in the valuation for any charges, mortgages or amounts owing on the Property nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it was assumed that the Property is free from encumbrances, restrictions and outgoings of any onerous nature which could affect their values.

**Method of Valuation** : The Property was valued by Income Approach by capitalising the rental income derived from the existing tenancies with due provision for the reversionary income potential of the Property and/or by making reference to comparable sales transactions as available in the market.

Regarding the hotel properties, they have been valued as an on-going operational hotel (including its furniture fixtures and equipment) assuming all relevant statutory and/or mandatory permissions, permits, approvals and licences necessary for hotel operation are property in place. In undertaking the valuation, the Income Approach has been used and made reference to comparable sales transactions as available in the market.

Subsequent to 31 December 2021, being the valuation date of the aforesaid valuation report, and up to the date of this announcement, there had been no material changes in the operation of the Target Company, and the Target Company had not conducted any significant acquisition or disposal of assets other than in the ordinary course of business of the Target Company.

The Directors have also reviewed and discussed with the valuer the valuation basis adopted, the methodology of valuation and the valuation assumptions used in the valuation, and are of the view that the valuation basis, methodology of valuation and the valuation assumptions are fair and reasonable and in line with market practice.

## Conditions Precedent

Completion is conditional upon the following conditions being satisfied (or in case of the conditions (a) and/or (c), waived by the Purchaser) on the Long Stop Date:

- (a) the Hotel Licence remaining valid, effective and subsisting or where the application for its renewal submitted on 8 March 2022 is pending, such application not having been refused;
- (b) the transaction(s) contemplated under the Sale and Purchase Agreement having been approved by the SHH Shareholders, SHP Shareholders and MHI Shareholders at the SHH EGM, SHP EGM and MHI EGM respectively in accordance with the Listing Rules; and
- (c) the Target Company being the sole registered and beneficial owner of the Property.

The Purchaser may, to such extent as it thinks fit and is legally entitled to do so, at any time waive in writing the conditions (a) and/or (c) on such terms as it may decide.

If any of the conditions precedent (which has not previously been waived by the Purchaser) has not been duly fulfilled to the satisfaction of the Purchaser on or before the Long Stop Date, then:

- (a) the Purchaser may on that date, at its option (but without any prejudice to any other right or remedy it may have), by notice to the Vendor waive the conditions precedent which has/ have not been satisfied (save as except condition (b) which cannot be waived); or
- (b) the Vendor and the Purchaser may agree to postpone the Long Stop Date to a date (not being a Business Day) falling not more than 20 Business Days after the date set for the Long Stop Date and, if the parties agree to postpone the Long Stop Date, then the provisions of the Sale and Purchase Agreement shall apply as if the Long Stop Date is so postponed; or
- (c) in the absence of either of the events mentioned in (a) or (b) above occurring, the Sale and Purchase Agreement shall be terminated upon expiry of the period of 10 Business Days after the Long Stop Date and the Vendor shall immediately upon demand by the Purchaser, return or procure to be returned to the Purchaser the Deposit without any interest or costs and, unless the Vendor is in breach of its obligations to use all reasonable endeavours (so far as it lies within its powers) to procure the satisfaction of all the conditions precedent (in which case such termination shall not affect or prejudice the then accrued rights of the Purchaser (including the right to damages for the breach, if any, giving rise to the termination and any other pre-termination breach by any party)), none of the parties shall have any further claim or cause of action against any other party.

If the Vendor elects to terminate the Sale and Purchase Agreement in the event that the Purchaser is unable or unwilling to comply with its obligations under the Sale and Purchase Agreement, the Deposit shall be forfeited to the Vendor without any interest or cost as liquidated damages on the date set for Completion and termination shall not affect or prejudice the then accrued rights of the Vendor. If the Purchaser elects to terminate the Sale and Purchase Agreement in the event that the Vendor is unable or unwilling to comply with its obligations under the Sale and Purchase Agreement, then the Vendor shall immediately upon demand by the Purchaser, return or procure to be returned to the Purchaser the Deposit without any interest or cost, and termination shall not affect or prejudice the then accrued rights of the Purchaser.

### **Completion**

Completion shall take place on the Completion Date or on such other date as the Vendor and the Purchaser may agree in writing.

### **Guarantee**

MHI has agreed to guarantee to the Purchaser the performance of the Vendor's obligations under the Sale and Purchase Agreement and certain other documents referred to thereunder which include but not limited to the following:

- (a) The Vendor's obligations to ensure that the Target Company does not do anything or omits to do anything which would, at any time before or after Completion, be materially inconsistent with the Warranties, breach any Warranty or make any Warranty (as defined in the Sale and Purchase Agreement) materially untrue or misleading.
- (b) The Vendor's undertaking that it shall from time to time and at any time, whether before or after Completion, promptly disclose in writing to the Purchaser any event, fact or circumstance which may become known to it after the date of this Agreement and which is materially inconsistent with any of the Warranties (as defined in the Sale and Purchase Agreement).

The guarantee given by MHI is a continuing guarantee which shall remain in force until all of MHI's and the Vendor's obligations under the Sale and Purchase Agreement and certain other documents referred to thereunder have been fulfilled.

### **INFORMATION OF THE TARGET COMPANY**

The Target Company is a company incorporated in Hong Kong with limited liability and is wholly-owned by the Vendor. The principal business of the Target Company is investment holding. The Target Company is the sole legal and beneficial owner of the Property.

Set out below is an extract of the audited financial statements prepared for the two financial years ended 31 December 2021 and 31 December 2020 respectively of the Target Company prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the year ended	
	31 December 2021	31 December 2020
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Revenue	31,887	19,844
Profit/(loss) before taxation	(3,344)	(4,580)
Profit/(loss) after taxation	(2,793)	(3,310)

The audited net assets of the Target Company as at 31 December 2021 and 31 December 2020 amounted to approximately HK\$7,493,000 and HK\$10,286,000 respectively.

### **INFORMATION OF THE PROPERTY**

The Property is situate at No.338 Queen's Road West (formerly known as Nos.338, 340, 342, 344 and 346 Queen's Road West), Hong Kong and with a hotel operating at the Property commonly known as "Grand City Hotel". The total gross floor area of the Property is approximately 60,150 square feet. The Property comprises a 29-storey hotel building completed in 2015 and accommodates a total of 214 guestrooms with a restaurant and car parking spaces. The Property is held under various Government leases for the same term of 999 years commencing from 1 September 1857 and the current Government rent payable for the lots is HK\$22 per annum. As at the date of this announcement, the Property is legally and beneficially owned by the Target Company.

### **INFORMATION OF THE VENDOR**

The Vendor is a company incorporated in Hong Kong with limited liability and is a directly wholly-owned subsidiary of MHI. The principal business of the Vendor is investment holding.

### **INFORMATION OF SHH, SHP AND MHI**

SHH is a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange. The principal activities of the SHH and its subsidiaries, which are conducted through its major subsidiaries SHP and MHI, including property investment and leasing and hotel investments and hotel management. As at the date of this announcement, SHH owns approximately 66.13% of the total issued shares of SHP.

SHP is a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange. SHP and its subsidiaries are principally engaged in property investments and leasing. Through its major subsidiary MHI, SHP is also engaged in hotel investments and hotel management. As at the date of this announcement, SHP owns approximately 71.09% of the total issued shares of MHI.

MHI is a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange. The principal activities of the MHI and its subsidiaries include hotel development and management and property leasing.

## **INFORMATION OF THE PURCHASER**

The Purchaser is a company incorporated in the British Virgin Islands with limited liability whose principal business is investment holding. As of the date of this announcement, the Purchaser is wholly-owned by SYP Holdings Limited which is in turn owed as to 15% by Weave Living Real Estate HK Holdings Limited and 85% by AG SYP (BVI) L.P., a limited partnership formed in the British Virgin Islands, with AG Asia DPF XI Member GP, LLC, a Delaware limited liability company, as the general partner. The ultimate beneficial owners of AG SYP (BVI) L.P. are Mr. Adam Schwartz and Mr. Joshua Baumgarten based on their control over Angelo, Gordon & Co., L.P.. Angelo, Gordon & Co., L.P. is a licensed investment manager in the United States of America and is currently managing approximately US\$51 billion across a broad range of credit and real estate strategies.

To the best of the Boards' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

## **FINANCIAL IMPACT OF THE DISPOSAL**

Upon Completion, the Target Company will cease to be a subsidiary of the Group, and the profit and loss, as well as the assets and liabilities of the Target Company will no longer be consolidated into the consolidated financial statements of the Group.

As at the date of this announcement, it is estimated that the Group will realise a net gain of approximately HK\$523,612,000 and such gain is calculated with reference to the difference between the Initial Purchase Price (representing the aggregate of HK\$900,000,000 and the Net Asset Value as set out in the Pro Forma Completion Accounts (the net asset value of the Target Company based on the audited financial statements of the Target Company as at 31 December 2021 of approximately HK\$7,493,000 is used for calculation and estimation purposes)), the Sale Loan in the amount of HK\$274,415,000 and the revaluation reserve at Group level of approximately of HK\$87,179,709, after deducting related transaction costs amounting to approximately HK\$7,300,000. The actual gain as a result of the Disposal to be recorded by the Group is subject to audit and will be reassessed after completion of the Disposal.

The expected gross proceeds and net proceeds arising from the Disposal are expected to be approximately HK\$530,912,000 and HK\$523,612,000 respectively and are expected to be applied as working capital of the Group. It is expected that 20% of the net proceeds, being approximately HK\$104,722,400 will be used as working capital of the Group and the remaining 80% of the net proceeds, being approximately HK\$418,889,600, will be used as reserve for acquisition of a hotel property in Hong Kong on or before 31 December 2022.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

As mentioned above, the valuation of the Property was HK\$770,000,000 as at 31 December 2021, being appraised by Cushman & Wakefield, an independent valuer. The parcels of land where the Property now situates was acquired by the Group back in 2008 at a cost of approximately HK\$198,000,000. The Group had then developed the Property and built the current "Grand City Hotel" thereon in 2015. As an illustration, on the basis of comparing the Initial Purchase Price in the amount estimated under the section headed "Financial Impact of the Disposal" against the historical acquisition cost and development costs of the Property, the Group will in effect recognise a net gain on the Disposal of approximately HK\$523,612,000. Therefore, the Group will in effect recognise a gain on the Disposal if it is accounted for on a historical cost basis, which in the view of the Boards a good opportunity to realise the value of the Property. Moreover, it is expected that 20% of the net proceeds from the Disposal, being approximately HK\$104,722,400, will be applied as working capital of the Group, this will strengthen the financial position of the Group and provide more flexibility to the Group to better structure its assets portfolio and enable to Group to explore future acquisition opportunities. As of the date of this announcement, the Group has been negotiating with a potential vendor in respect of the sale and purchase of a hotel property in Hong Kong and it is expected that the remaining 80% of the net proceeds, being approximately HK\$418,889,600, will be applied for acquiring such hotel property on or before 31 December 2022.

The Boards (including the independent non-executive directors of the Boards) consider the terms of the Sale and Purchase Agreement to be fair and reasonable, and that the entering into of the Sale and Purchase Agreement and the Disposal is in the interest of SHH, SHP, MHI and the SHH Shareholders, SHP Shareholders and MHI Shareholders as a whole.

## **LISTING RULES IMPLICATION**

MHI, SHP and SHH are all listed on the Stock Exchange. As at the date of this announcement, SHH owns approximately 66.13% of the total issued shares of SHP, whereas SHP owns approximately 71.09% of the total issued shares of MHI.

Since one of the applicable percentage ratios for the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal for each of SHH, SHP and MHI and are subject to the reporting, announcement, circular and SHH Shareholders' approval, SHP Shareholders' approval and MHI Shareholders' approval requirements under Chapter 14 of the Listing Rules. To the best of the Boards' knowledge, information and belief, having made all reasonable enquiries, no shareholder has a material interest in the Disposal as at the date of this announcement and therefore, no Shareholder is required to abstain from voting at the SHH EGM, SHP EGM and MHI EGM for the relevant resolution(s).

The majority shareholder(s) of each of SHH, SHP and MHI have indicated to the Purchaser that they will vote in favour of the resolutions at the SHH EGM, SHP EGM and MHI EGM respectively to approve the entering into of the Sale and Purchase Agreement, the Disposal and the transactions contemplated thereunder.

The SHH EGM, SHP EGM and MHI EGM will be convened for the purpose of considering and, if thought fit, approving the entering into of the Sale and Purchase Agreement, the Disposal and the transactions contemplated thereunder. A circular containing, amongst other things, further information on the Disposal, the financial information of the Group, the notice of each of the SHH EGM, SHP EGM and MHI EGM and other information as required under the Listing Rules will be despatched to the SHH Shareholders, SHP shareholders and MHI Shareholders respectively on or before 31 May 2022.

**Shareholders and potential investors should note that Completion is conditional upon satisfaction of certain conditions precedent as set out in this announcement. The Disposal may or may not proceed. Shareholders and potential investors of the Companies should exercise caution when they deal or contemplate dealing in the securities of the Companies.**

## DEFINITIONS

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

“associate(s)”	has the meanings ascribed to it under the Listing Rules;
“Board(s)”	the board of Directors of the respective Companies;
"Business Day(s)"	any day(s) (not being a Saturday, Sunday, public holiday or any day on which tropical cyclone warning signal No. 8 or above or black rainstorm warning is in force in Hong Kong at any time from 9:00 a.m. to 5:30 p.m.) on which banks are open in Hong Kong to the general public for business;
“Companies”	MHI, SHP and SHH collectively;
“Completion”	completion of the Disposal under the Sale and Purchase Agreement and the transactions contemplated thereunder;
"Completion Accounts"	the audited financial statements of the Target Company (comprising a statement of financial position of the Target Company as at Completion and a statement of comprehensive income of the Target Company for the period from 1 January 2022 to the Completion Date);

"Completion Date"	the later of:  (a) 27 September 2022; and  (b) the 5th Business Day following satisfaction (or where applicable) or waiver of all conditions precedent, or on such other date as the Vendor and the Purchaser may agree in writing;
"Director(s)"	director(s) of the Companies;
"Disposal"	the sale of the Sale Shares to the Purchaser and the assignment of the Sale Loan to the Purchaser as contemplated under the Sale and Purchase Agreement;
"Government"	the government of Hong Kong;
"Group"	SHH, SHP, MHI and their respective subsidiaries;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Hotel Licence"	the hotel licence no. H/5842 in respect of the hotel operating at the Property and commonly known as "Grand City Hotel" granted by the Hotel and Guesthouse Accommodation Authority in favour of the Target Company dated 21 August 2019 as at the date of this announcement and including any renewal thereof;
"Independent Third Party(ies)"	an independent third party(ies) which is not connected with the chief executive, directors and substantial shareholders of the Companies or any of their respective subsidiaries and their respective associates;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Long Stop Date"	14 October 2022;
"MHI"	Magnificent Hotel Investments Limited 華大酒店投資有限公司, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (stock code: 201);

"MHI EGM"	the extraordinary general meeting of MHI to be convened for the purpose of considering and, if thought fit, passing the necessary resolution(s) to approve, among other matters, the entering into of the Sale and Purchase Agreement, the Disposal and the transactions contemplated thereunder;
"MHI Share(s)"	share(s) in the share capital of MHI;
"MHI Shareholder(s)"	holder(s) of MHI Shares;
"Net Asset Value"	the total assets of the Target Company as at Completion (other than Property, plant and equipment (including chattels), deferred tax assets (if any), inventories and trade receivables and insurance proceeds received and/or receivable as contemplated under the Sale and Purchase Agreement (if any)) minus the total liabilities of the Target Company as at Completion (but excluding any deferred tax liabilities and the Sale Loan) to be determined with reference to the Pro Forma Completion Accounts or the Completion Accounts (as the case may be);
"Pro Forma Completion Accounts"	a pro forma statement of financial position of the Target Company as at Completion and a pro forma combined statement of comprehensive income of the Target Company for the period from 1 January 2022 to the Completion Date;
"Property"	<p>ALL THOSE pieces or parcels of ground registered in Land Registry as THE REMAINING PORTION OF INLAND LOT NO.491, SECTION B OF INLAND LOT NO.491, SECTION C OF INLAND LOT NO.491, THE REMAINING PORTION OF SECTION A OF INLAND LOT NO.490 and SUBSECTION 2 OF SECTION A OF INLAND LOT NO.490 TOGETHER WITH the messuages erections and buildings thereon now known as Grand City Hotel, No.338 Queen's Road West (formerly known as Nos.338, 340, 342, 344 and 346 Queen's Road West)Hong Kong subject to:</p> <ul style="list-style-type: none"> <li>(a) such exceptions and reservations as contained in the Government Leases and the assignments registered in the Land Registry in respect of the Property;</li> <li>(b) such easements and other appurtenant rights as contained in the said assignments; and</li> </ul>

	(c) all easements, rights of way and all other rights (including appurtenant rights) to which the Property is now subject and which have been revealed in the title deeds and documents of the Property made available to the Purchaser and the Purchaser's solicitors as set out in the Sale and Purchase Agreement;
"Purchaser"	SYP Investment Limited;
"Purchase Price"	an amount equal to the Initial Purchase Price as adjusted;
"Sale and Purchase Agreement"	the sale and purchase agreement dated 11 May 2022 entered into between the Vendor, the Purchaser and MHI;
"Sale Loan"	the loan owing by the Target Company to the Vendor as at Completion;
"Sale Shares"	the entire issued share capital of the Target Company;
"SHH"	Shun Ho Holdings Limited 順豪控股有限公司, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (stock code: 253);
"SHH EGM"	the extraordinary general meeting of SHH to be convened for the purpose of considering and, if thought fit, passing the necessary resolution(s) to approve, among other matters, the entering into of the Sale and Purchase Agreement, , the Disposal and the transactions contemplated thereunder;
"SHH Share(s)"	share(s) in the share capital of SHH;
"SHH Shareholder(s)"	holder(s) of SHH Shares;
"SHP"	Shun Ho Property Investments Limited 順豪物業投資有限公司, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (stock code: 219);
"SHP EGM"	the extraordinary general meeting of SHP to be convened for the purpose of considering and, if thought fit, passing the necessary resolution(s) to approve, among other matters, the entering into of the Sale and Purchase Agreement, the Disposal and the transactions contemplated thereunder;

“SHP Share(s)”	share(s) in the share capital of SHP;
“SHP Shareholder(s)”	holder(s) of SHP Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
"Target Company"	Sino Money Investments Limited 華財投資有限公司, a company incorporated in Hong Kong with limited liability and is wholly-owned by the Vendor as at the date of this announcement;
“Vendor”	Babenna Limited, a directly wholly-owned subsidiary of MHI;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

By order of the Board  
**Magnificent Hotel  
Investments Limited**  
**William Cheng Kai Man**  
*Chairman*

By order of the Board  
**Shun Ho Property  
Investments Limited**  
**William Cheng Kai Man**  
*Chairman*

By order of the Board  
**Shun Ho Holdings Limited**  
**William Cheng Kai Man**  
*Chairman*

Hong Kong, 11 May 2022

*As at the date hereof, the board of directors of MHI comprises five Executive Directors, namely Mr. William Cheng Kai Man (Chairman), Mr. Albert Hui Wing Ho, Madam Kimmy Lau Kam May, Madam Ng Yuet Ying and Madam Wendy Cheng Wai Kwan; one Non-executive Director, namely, Madam Mabel Lui Fung Mei Yee; and three Independent Non-executive Directors, namely, Mr. Chan Kim Fai, Mr. Lam Kwai Cheung and Mr. Warren Liu Yuk Cho.*

*As at the date hereof, the board of directors of SHP comprises five Executive Directors, namely Mr. William Cheng Kai Man (Chairman), Mr. Albert Hui Wing Ho, Madam Kimmy Lau Kam May, Madam Ng Yuet Ying and Madam Wendy Cheng Wai Kwan; one Non-executive Director, namely, Madam Mabel Lui Fung Mei Yee; and three Independent Non-executive Directors, namely, Mr. Chan Kim Fai, Mr. Lam Kwai Cheung and Mr. Warren Liu Yuk Cho.*

*As at the date hereof, the board of directors of SHH comprises five Executive Directors, namely Mr. William Cheng Kai Man (Chairman), Mr. Albert Hui Wing Ho, Madam Kimmy Lau Kam May, Madam Ng Yuet Ying and Madam Wendy Cheng Wai Kwan; one Non-executive Director, namely, Madam Mabel Lui Fung Mei Yee; and three Independent Non-executive Directors, namely, Mr. Chan Kim Fai, Mr. Lam Kwai Cheung and Mr. Warren Liu Yuk Cho.*