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**MAGNIFICENT ESTATES
LIMITED**

*(incorporated in Hong Kong with
limited liability)*

(Stock Code: 201)

DISCLOSEABLE TRANSACTION



**SHUN HO TECHNOLOGY
HOLDINGS LIMITED**

*(incorporated in Hong Kong with
limited liability)*

(Stock Code: 219)

DISCLOSEABLE TRANSACTION



**SHUN HO RESOURCES
HOLDINGS LIMITED**

*(incorporated in Hong Kong with
limited liability)*

(Stock Code: 253)

DISCLOSEABLE TRANSACTION

**JOINT ANNOUNCEMENT
ACQUISITION OF LISTED SECURITY**

THE ACQUISITION

MEL acquired on-market 3,100,000 HSBC Shares (“Acquired Shares”) in a series of transactions conducted from 2 September 2015 to 29 September 2015 for an aggregate purchase price of HK\$182,799,000 (exclusive of transaction costs).

LISTING RULES IMPLICATIONS

For MEL, SHT and SHR as certain applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but less than 25%, the Acquisition constitutes a discloseable transaction for MEL, SHT and SHR and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

Reference is made to the joint announcement SHR, SHT and MEL dated 6 October 2015 (“Joint Announcement”) in relation to the acquisition of listed securities. Capitalised terms used in this announcement have the same meanings as those defined in the Joint Announcement unless expressly defined herein.

THE ACQUISITION

The MEL Board is pleased to announce that MEL, through its wholly-owned subsidiary, acquired on-market the Acquired Shares from 2 September 2015 to 29 September 2015 at the price between HK\$57.25 to HK\$59.85 per HSBC Share (exclusive of transaction costs).

The average price (exclusive of transaction costs) for the acquisition of each HSBC Share was approximately HK\$59.02. (closing price as of this announcement date HK\$62.05) The aggregate purchase price of the Acquired Shares was HK\$182,799,000 (exclusive of transaction costs) represented the then market price of the HSBC Shares and was paid from MEL’s internal cash resources.

For MEL, as the Acquisition was made through the market, MEL was not aware of the identities of the sellers of the Acquired Shares and accordingly, to the best knowledge, information and belief of the directors of MEL and having made all reasonable enquiries, the sellers of the Acquired Shares are Independent Third Parties.

For SHT, as the Acquisition was made through the market, SHT was not aware of the identities of the sellers of the Acquired Shares and accordingly, to the best knowledge, information and belief of the directors of SHT and having made all reasonable enquiries, the sellers of the Acquired Shares are Independent Third Parties.

For SHR, as the Acquisition was made through the market, SHR was not aware of the identities of the sellers of the Acquired Shares and accordingly, to the best knowledge, information and belief of the directors of SHR and having made all reasonable enquiries, the sellers of the Acquired Shares are Independent Third Parties.

INFORMATION OF HSBC GROUP

HSBC is a company incorporated in England with Limited liability whose shares are listed on the Stock Exchange (stock code: 005). HSBC is principally engaged in commercial and retail banking business and the provision of a comprehensive range of banking and related financial services through an international network in the Asia-Pacific region, Europe, the Americas, the Middle East and Africa.

HSBC Share price in the last 52 weeks

High	Low
HK\$80.15	HK\$56.8

Dividend per HSBC Share

2013	2014
US\$0.49	US\$0.5

Historical dividend on purchase cost

6.59%

The following information is extracted from the annual report of HSBC for the two financial years ended 31 December 2014 and 31 December 2013 respectively:

	Year ended 31 December	
	2014	2013
	<i>US\$ million</i>	<i>US\$ million</i>
Operating Income	74,593	78,337
Profit before tax	18,680	22,565
Profit after tax	14,705	17,800

As extracted from interim report of HSBC, the consolidated net assets value of HSBC Group as at 30 June 2015 is US\$ 201,382 million.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The MEL Group is principally engaged in investment and operation of hotels.

SHT Group is principally an investment holding company. Through its major subsidiary, MEL, SHT is principally engaged in property investment, property development and leasing, investment in and operation of hotels.

SHR Group is principally an investment holding company. Through its major subsidiaries, SHT and MEL, SHR is principally engaged in property investment, property development and leasing, investment in and operation of hotels.

Prior to the Acquisition, MEL has cash deposit of HK\$1.1 billion which earns 0.4% interest income from bank deposit. The Management intends to improve incomes generated from the cash resources.

The Management of MEL are of the view that the Acquisition provides the MEL Group with a good investment opportunity to improve incomes from the cash available. The Management of SHR are of the view that the Acquisition provides the SHR Group with a good investment opportunity to improve incomes from the cash available through MEL, an indirect subsidiary of SHR. The Management of SHT are of the view that the Acquisition provides the SHT Group with a good investment opportunity to improve incomes from the cash available through MEL, a subsidiary of SHT. The above acquisition will result in increasing income cash deposit of 0.4% per year. The historic dividend over purchase cost is about 6.5%.

The above high yield investment can easily be sold for cash for future hotel property acquisition if such opportunity arises.

The Management of MEL are of the view that the Acquisition will not cause any adverse effects on the gearing ratio of MEL. The Management of SHT are of the view that the Acquisition will not cause any adverse effects on the gearing ratio of SHT. The Management of SHR are of the view that the Acquisition will not cause any adverse effects on the gearing ratio of SHR.

As the Acquisition was made at market price, the directors of MEL are of the view that the Acquisition is fair and reasonable, on normal commercial terms and in the interests of MEL and MEL Shareholders as a whole.

As the Acquisition was made at market price, the directors of SHT are of the view that the Acquisition is fair and reasonable, on normal commercial terms and in the interests of SHT and SHT Shareholders as a whole.

As the Acquisition was made at market price, the directors of SHR are of the view that the Acquisition is fair and reasonable, on normal commercial terms and in the interests of SHR and SHR Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

For MEL, as certain applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but less than 25%, the Acquisition constitutes a discloseable transaction for MEL and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

For SHT, as certain applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but less than 25%, the Acquisition constitutes a discloseable transaction for SHT and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

For SHR, as certain applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but less than 25%, the Acquisition constitutes a discloseable transaction for SHR and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

- “Acquired Shares” an aggregate of 3,100,000 HSBC Shares representing approximately 0.016% of the entire issued share capital of HSBC at the date of this announcement
- “Acquisition” the acquisition by MEL on the Stock Exchange of the Acquired Shares from 2 September 2015 to 29 September 2015
- “HK\$” Hong Kong dollar, the lawful currency of Hong Kong
- “Hong Kong” the Hong Kong Special Administrative Region
- “HSBC” HSBC Holdings plc is a company incorporated in England with limited liability whose shares are listed on the Stock Exchange (stock code: 005)
- “HSBC Group” HSBC and its subsidiaries
- “HSBC Shares” ordinary shares of US\$0.5 each in the share capital of HSBC
- “Independent Third Party(ies)” a party(ies) independent of and not connected with the Company and its connected persons

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management”	Executive Directors
“MEL”	means Magnificent Estates Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“MEL Board”	means the board of directors of MEL
“MEL Group”	means MEL and its subsidiaries
“SHR”	means Shun Ho Resources Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“SHR Board”	means the board of directors of SHR
“SHR Group”	means SHR and its subsidiaries
“SHT”	means Shun Ho Technology Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed of the Stock Exchange
“SHT Board”	means the board of directors of SHT
“SHT Group”	means SHT and its subsidiaries
“Stock Exchange”	The stock Exchange of Hong Kong Limited
“%”	percentage

By order of the Board
**Magnificent Estates
Limited**

By order of the Board
**Shun Ho Technology
Holdings Limited**

By order of the Board
**Shun Ho Resources
Holdings Limited**

William CHENG Kai Man
Chairman

William CHENG Kai Man
Chairman

William CHENG Kai Man
Chairman

Hong Kong, 7 October 2015

As at the date hereof, the MEL Board comprises six Directors, of which two are Executive Directors, namely Mr. William Cheng Kai Man and, Mr. Albert Hui Wing Ho; one is Non-executive Director, Madam Mabel Lui Fung Mei Yee; and three are Independent Non-executive Directors, namely Mr. Vincent Kwok Chi Sun, Mr. Chan Kim Fai and Mr. Hui Kin Hing.

As at the date hereof, the SHT Board comprises six Directors, of which two are Executive Directors, namely Mr. William Cheng Kai Man and, Mr. Albert Hui Wing Ho; one is Non-executive Director, Madam Mabel Lui Fung Mei Yee; and three are Independent Non-executive Directors, namely Mr. Vincent Kwok Chi Sun, Mr. Chan Kim Fai and Mr. Hui Kin Hing.

As at the date hereof, the SHR Board comprises six Directors, of which two are Executive Directors, namely Mr. William Cheng Kai Man and, Mr. Albert Hui Wing Ho; one is Non-executive Director, Madam Mabel Lui Fung Mei Yee; and three are Independent Non-executive Directors, namely Mr. Vincent Kwok Chi Sun, Mr. Chan Kim Fai and Mr. Hui Kin Hing.