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**MAGNIFICENT HOTEL
INVESTMENTS
LIMITED**

*(incorporated in Hong Kong with
limited liability)*

(Stock Code: 201)

**MAJOR AND
CONNECTED
TRANSACTION**



**SHUN HO PROPERTY
INVESTMENTS
LIMITED**

*(incorporated in Hong Kong
with limited liability)*

(Stock Code: 219)

**DISCLOSEABLE
AND CONNECTED
TRANSACTION**



**SHUN HO HOLDINGS
LIMITED**

*(incorporated in Hong Kong
with limited liability)*

(Stock Code: 253)

**MAJOR AND
CONNECTED
TRANSACTION**

**JOINT SUPPLEMENTARY ANNOUNCEMENT
FORMATION OF JOINT VENTURE
FOR ACQUISITION OF ROSEWOOD HOTEL GEORGIA**

TERMINATION OF THE JV ACQUISITION AGREEMENT

Reference is made to the Joint Announcement of Shun Ho Holdings, Shun Ho Property and Magnificent Hotel dated 28 February 2017 in relation to the subject matter.

The parties to the JV Acquisition Agreement have agreed to adopt a new deal structure by way of share buyback to unwind the joint venture under the JV Company in the event that the Further Capital Contribution is voted down by the independent shareholders of the Companies. Pursuant to the new deal structure, the JV Acquisition Agreement has been terminated with immediate effect and a share buyback agreement was entered into on 17 March 2017.

Pursuant to the Share Buyback Agreement, the JV Company will buyback the Buyback Share from Able Shine for a consideration of HK\$1 subject to the voting down of the Further Capital Contribution by the independent shareholders of the Companies at the EGMs.

Following completion of the Share Buyback, the JV Company shall become a wholly-owned subsidiary of Magnificent Hotel. The Acquisition will constitute a transaction of the Companies. As one or more of the applicable percentage ratios as calculated in accordance with Chapter 14 of the Listing Rules in respect of the Acquisition exceeds 25% but are all below 100%, the Further Acquisition constitutes a major transaction for each of the Companies and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

TERMINATION OF THE JV ACQUISITION AGREEMENT

Reference is made to the Joint Announcement of Shun Ho Holdings, Shun Ho Property and Magnificent Hotel dated 28 February 2017 in relation to the subject matter. Terms used in this announcement shall have the same meanings as defined in the Joint Announcement unless defined otherwise herein.

As disclosed in the Joint Announcement, pursuant to the JV Acquisition Agreement if the resolutions for the Further Capital Contribution shall not be passed or be voted down by the respective independent shareholders of the Companies, Able Shine shall sell and Babenna shall buy Able Shine's interest in the JV Company together with the AS Shareholders Loan. The objective of the JV Acquisition Agreement is that if the Further Capital Contribution is voted down by the Companies' independent shareholders, Magnificent Hotel will proceed with the Acquisition by itself instead of joint venturing with Mr. Jonathan Cheng.

As at the date of this announcement, the JV Company has already been formed with total issued shares and share capital of two shares and HK\$2, respectively. The JV Company, which owns 100% of the Purchaser, is owned as to 50% by Babenna (a wholly owned subsidiary of Magnificent Hotel) and 50% by Able Shine (a company in which Mr. Jonathan Cheng has 100% interest). After further discussion, the parties to the JV Acquisition Agreement have agreed to adopt a new deal structure by way of share buyback to unwind the joint venture under the JV Company in the event

that the Further Capital Contribution is voted down by the independent shareholders of the Companies. Pursuant to the new deal structure, the JV Acquisition Agreement has been terminated with immediate effect and a share buyback agreement was entered into on 17 March 2017 (“**Share Buyback Agreement**”).

SHARE BUYBACK AGREEMENT

The key terms of the Share Buyback Agreement are as follows:

- Date** : 17 March 2017
- Parties** : (i) JV Company (namely, Funstar Development Limited) as purchaser
(ii) Able Shine as vendor
- Share to be bought back** : The one share in Funstar Development Limited held by Able Shine (“**Buyback Share**”)
- Consideration** : HK\$1
- Other terms** : The JV Company will reimburse all incidental costs reasonably incurred by Able Shine and/or Mr. Jonathan Cheng in relation to giving effect to the Shareholders Agreement and the transaction contemplated thereunder and the Acquisition. The JV Company shall repay the outstanding balance of the AS Shareholder Loan on a dollar-to-dollar basis in full upon completion of the Share Buyback (as define below).
- Condition precedent** : Repurchase of the Buyback Share under the Share Buyback Agreement (“**Share Buyback**”) is conditional upon the voting down of the Further Capital Contribution by the independent shareholders of the Companies at the forthcoming extraordinary general meetings of the Companies (“**EGMs**”).
- Termination** : The Share Buyback Agreement shall automatically terminate if the independent shareholders of the

Companies approve the Further Capital Contribution at the EGMs.

Completion : Subject to satisfaction of the condition precedent set out above, completion of the Share Buyback shall take place within two months from the date of the EGMs (or such later date as agreed between the parties). The JV Company shall comply with the share buyback procedures under the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) to effect the Share Buyback.

LISTING RULES IMPLICATION

As the JV Company is not a subsidiary of the Companies before the Share Buyback, neither the Acquisition nor the Share Buyback constitutes a transaction of the Companies under the Listing Rules, and accordingly the Share Buyback by the JV Company from Able Shine also will not constitute a connected transaction for the Companies.

Following completion of the Share Buyback, the JV Company shall become a wholly-owned subsidiary of Magnificent Hotel. The Acquisition will constitute a transaction of the Companies. As one or more of the applicable percentage ratios as calculated in accordance with Chapter 14 of the Listing Rules in respect of the Acquisition exceeds 25% but are all below 100%, the Acquisition constitutes a major transaction for each of the Companies and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. Ordinary resolutions will be proposed at the EGMs to seek conditional approval by the respective shareholders of the Companies of the Acquisition subject to the conditions (i) the Companies fail to obtain independent shareholders approval of the Further Capital Contribution; and (ii) the Share Buyback has been completed. As Mr. William Cheng and his associates does not have a material interest in the Acquisition other than through interest in the Companies, he does not need to abstain from voting. Mr. William Cheng who controls 71.17% of Shun Ho Holdings has indicated that he will cause his controlled companies to vote in favour of the Acquisition in the SHH EGM. Shun Ho Holdings which controls 62.02% of Shun Ho Property will vote in favour of the Acquisition in the SHP EGM. Shun Ho Property which is interested in 71.09% in Magnificent Hotel will vote in favour of the Acquisition at the MHIL EGM.

Further information in relation to the Share Buyback and the Acquisition will be contained in the circulars to the Companies' shareholders.

By order of the Board
**Magnificent Hotel
Investments Limited**

By order of the Board
**Shun Ho Property
Investments Limited**

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

William Cheng Kai Man
Chairman

William Cheng Kai Man
Chairman

William Cheng Kai Man
Chairman

Hong Kong, 17 March 2017

As at the date hereof, the Board of each of the Companies comprises of two executive directors, namely Mr. William Cheng Kai Man and Mr. Albert Hui Wing Ho; one non-executive director, namely Madam Mabel Lui Fung Mei Yee; and three independent non-executive directors, namely Mr. Vincent Kwok Chi Sun, Mr. Chan Kim Fai and Mr. Hui Kin Hing.