

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

**VERY SUBSTANTIAL
ACQUISITION**



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

**VERY SUBSTANTIAL
ACQUISITION**



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

**VERY SUBSTANTIAL
ACQUISITION**

**JOINT ANNOUNCEMENT
VERY SUBSTANTIAL ACQUISITION IN RELATION TO
ACQUISITION OF TARGET COMPANY**

THE ACQUISITION

The Boards are pleased to announce that, on 11 May 2022, the Purchaser, a directly wholly-owned subsidiary of MHI, has entered into the Sale and Purchase Agreement with the Vendor and Mr. Tang 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 the Sale Loan to the Purchaser at a consideration of HK\$1,420,695,000, subject to adjustments. The maximum consideration expected to be payable by the Purchaser after adjustment would not exceed HK\$1,440,000,000. 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 Acquisition exceeds 100%, the Acquisition constitutes a very substantial acquisition 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 Sale and Purchase Agreement, the Acquisition and the transactions contemplated thereunder. A circular containing, amongst other things, further information on the Acquisition, 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 Acquisition 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 Vendor 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 and the transactions contemplated thereunder.

The Boards are pleased to announce that, on 11 May 2022, the Purchaser, a directly wholly-owned subsidiary of MHI, has entered into the Sale and Purchase Agreement with the Vendor and Mr. Tang 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 the Sale Loan to the Purchaser at a consideration of HK\$1,420,695,000, subject to adjustments. The maximum consideration expected to be payable by the Purchaser after adjustment would not exceed HK\$1,440,000,000. 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 : Crest Incorporated

Purchaser : Shun Ho Construction (Holdings) Limited, a directly wholly-owned subsidiary of MHI

Vendor's guarantor : Mr. Tang Yiu Sing (鄧耀昇)

To the best of the Boards' knowledge, information and belief, having made all reasonable enquiries, Mr. Tang, the Vendor 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 Sale Loan and the Vendor has agreed to sell the Sale Shares and assign the Sale Loan to the Purchaser at a consideration of HK\$1,420,695,000, subject to adjustments. The maximum consideration expected to be payable by the Purchaser after adjustment would not exceed HK\$1,440,000,000. The Target Company is the sole legal and beneficial owner of the Property. Mr. Tang 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\$1,420,695,000 (subject to the adjustment mechanism set out in the paragraph headed "Adjustment of consideration" below) financed by the internal resources of the Companies.

The payment arrangement of the consideration is as follows:

- (a) a deposit (the "**Deposit**") in the sum of HK\$142,069,500 shall be paid by the Purchaser to the Vendor's solicitors as stakeholders upon the execution of the Sale and Purchase Agreement and shall represent a deposit and part payment of the consideration;
- (b) at Completion, the balance of the adjusted consideration (the "**Balance**") shall be paid by the Purchaser to the Vendor and/or the Vendor's solicitors (or such other person(s) as the Vendor may direct in writing) by cashier order, solicitors' cheque or such other method as the Purchaser and the Vendor may agree in writing; and
- (c) any adjustment shall be payable by the Purchaser to the Vendor, or, as the case may be, by the Vendor to the Purchaser in accordance with the section headed " Adjustment of the consideration" below.

The Deposit shall be held by the Vendor's solicitors as stakeholders who may release the same to the Vendor or such person(s) as the Vendor may direct in writing in payment of the consideration upon Completion.

Adjustment of the consideration

The Balance shall be adjusted upwards or downwards (as the case may be) accordingly, in the manner as follows:

- (a) it shall be added to the Balance the amount of Estimated Completion NAV as set out in the Pro Forma Completion Accounts, if the Estimated Completion NAV is a positive figure; or
- (b) it shall be deducted from the Balance the absolute value of the amount of Estimated Completion NAV as set out in the Pro Forma Completion Accounts if the Estimated Completion NAV is a negative figure.

Within ten (10) Business Days after the certified calculation of the Completion NAV is delivered by the auditors of the Target Company in accordance with the terms of the Sale and Purchase Agreement:

- (a) if the Completion NAV so certified is higher or less negative than the Estimated Completion NAV used for the purpose of determining the Balance, the Purchaser shall pay an amount equal to the difference to the Vendor or as it may direct; and
- (b) if the Completion NAV so certified is lower or more negative than the Estimated Completion NAV used for the purpose of determining the Balance, the Vendor shall refund an amount equal to the difference to the Purchaser.

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 profitability 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 15 December 2021, being HK\$2,460,000,000 appraised by Knight Frank Petty Limited, an independent valuer.

Valuation of the Property

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

Valuation methodology : In the course of valuation, the Income Approach – DCF analysis has been adopted. DCF analysis is a financial modelling technique based on explicit assumptions regarding the prospective cash flow to operating real properties. This analysis involves the projection of a series of periodic cash flows to an operating property. To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with the Property. In the case of operating real properties, periodic cashflow is typically estimated as gross income less vacancy and operating expenses and other outgoings. The series of periodic net operating incomes, along with an estimate of the reversionary or terminal value, anticipated at the end of the projection period, is then discounted at the discount rate, being a cost of capital or a rate of return used to convert a monetary sum, payable or receivable in the future, into present value.

The DCF Analysis has been undertaken on a yearly basis over a 10-year investment horizon. The net income in the year 10 is capitalised at an appropriate yield for the residual lease term. This analysis allows an investor or owner to make an assessment of the long-term return that is likely to be derived from a property with a combination of both income and capital growth over the residual lease term.

Valuation assumptions : In the course of valuation, certain assumptions which collectively may have a material impact on the valuation have been made and these are noted as follows:

- (i) The valuation is based on the market evidence available in the market. Nevertheless, the actual transaction price of the Property is subject to the market condition and may deviate from the valuation;
- (ii) The Property has good and proper title and was freely transferable in the market as at the valuation date and its title is being free from any material encumbrances and defects;
- (iii) if the hotel operation is subject to a management contract that there is no onerous clause in the said hotel management contract which may materially affect the operation of the hotel; and
- (iv) the Property is fully equipped with the existing hotel furnishing, fixtures, fitting and operating equipment which are essential for the operation of a hotel. A portion of the valuation of the hotel is therefore attributable to movable contents including trade fixtures, fittings, furniture, furnishings and equipment.

Subsequent to 15 December 2021, being the valuation date of the aforesaid valuation report, and up to the date of this announcement, the Directors were informed by the Vendor that 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 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, amongst other things, certain conditions precedent being satisfied (or waived by the Purchaser) on or before five Business Days prior to the Completion Date, including but not limited to the following:

- (a) the execution, entering into and the performance of the Sale and Purchase Agreement by the Purchaser and the transaction(s) contemplated thereunder having been approved by the SHH Shareholders, SHP Shareholders and MHI Shareholder at the SHH EGM, SHP EGM and MHI EGM respectively in accordance with the Listing Rules;
- (b) the Purchaser is reasonably satisfied with the results of due diligence review on the business, financial, legal and other aspects of the Target Company and the assets of the Target Company;
- (c) the issue of the Grant;
- (d) the Vendor having procured the Target Company to prove and give title to the Property in accordance with Sections 13 and 13A of the Conveyancing and Property Ordinance (Cap.219 of the Laws of Hong Kong) at the Vendor's own costs;
- (e) termination of the Hotel Operating Agreement;
- (f) the Vendor having procured the discharge of all liabilities of the Target Company on or before Completion (other than the Sale Loan (which shall be assigned to the Purchaser upon Completion), the Estate Loan Payable (which shall be discharged in full on Completion) and the liabilities in relation to the existing mortgages over the Property which shall be discharged in full on Completion); and
- (g) the Hotel License having been renewed and is valid and subsisting; and
- (h) the Purchaser having received from or on behalf of the Vendor a confirmation by the Administrators of the amount of Estate Loan Payable as at the date of Completion.

The Vendor shall use its reasonable endeavours to achieve satisfaction of the conditions precedent (other than condition precedent (a)) as soon as possible after the date of the Sale and Purchase Agreement. The Vendor shall provide reasonable assistance to the Purchaser to enable the Purchaser to satisfy the condition precedent (a) above, including without limitation:

- (a) the provision of information of the Target Company in the possession of the Vendor and/or the Target Company as may be reasonably requested by the Purchaser and/or the Stock Exchange in writing and if required by the Purchaser in writing; and
- (b) at the request and cost of the Purchaser, to request the auditors of the Target Company to issue prior to 4 July 2022 (i) the partial audited financial statements of the Target Company covering the period from 1 January 2022 to 30 April 2022; (ii) the accountants' reports of the Target Company covering the three years ended 31 December 2021 and the period from 1 January 2022 to 30 April 2022 for inclusion in the circulars to be issued by each of SHH, SHP and MHI; and (iii) the consent letter as required by the Stock Exchange in connection with issuance of the foregoing circulars.

The Purchaser shall use its reasonable endeavours to achieve satisfaction of condition precedent (a) as soon as possible after the date of the Sale and Purchase Agreement. If condition precedent (a) has not been satisfied at or before 5:00 pm on the date falling on five (5) Business Days prior to the Completion Date, the Purchaser shall have the option by service of a written notice on the Vendor to postpone the Completion Date to a date (being a Business Day) falling not more than sixty (60) days after the Completion Date. In the event that condition precedent (a) is satisfied prior to the postponed Completion Date, the Purchaser shall have the right upon giving 14 days' written notice to the Vendor to request for Completion to take place on the expiry of such notice period. In the event that after such postponement, such condition precedent still remains to be unsatisfied, the Vendor shall have the right to terminate the Sale and Purchase Agreement by written notice to the Purchaser, in which event, the Vendor shall, within five (5) Business Days upon receipt of written demand by the Purchaser, return or procure to be returned to the Purchaser the Deposit without any interest or cost and subject to this, none of the parties shall have any further claim or cause of action against any other parties.

At any time at or before 5:00 p.m. on the date falling on five (5) Business Days prior to the Completion Date, if any of the conditions precedent (other than conditions precedent (a), (c) and (g)) has not been satisfied, the Purchaser may at its option (but without prejudice to any other right or remedy that it may have), by notice to the Vendor:

- (1) waive the condition(s) precedent which has/have not been satisfied;
- (2) postpone the Completion to a date (being a Business Day) falling not more than sixty (60) Business Days after the Completion Date; or
- (3) terminate the Sale and Purchase Agreement in which event the Vendor shall, within five (5) Business Days upon receipt of written demand by the Purchaser, return or procure to be returned to the Purchaser the Deposit without any interest or cost and, subject to this, the Purchaser and Vendor shall not have any further claim or cause of action against any other party.

If condition precedent (c) has not been satisfied at or before 5:00 pm on the date falling on five (5) Business Days prior to the Completion Date, either the Vendor or the Purchaser shall have the option by service of a written notice on the Purchaser to postpone the Completion Date to a date (being a Business Day) falling not more than sixty (60) days after the Completion Date. In the event that (a) after such postponement, such condition precedent still remains to be unsatisfied, or (b) neither the Vendor nor the Purchaser has elected to exercise such option, then either the Vendor or the Purchaser shall have the right to terminate the Sale and Purchase Agreement by written notice to the other, in which event, the Vendor shall, within five (5) Business Days upon receipt of written demand by the Purchaser, return or procure to be returned to the Purchaser the Deposit without any interest or cost and subject to this, none of the parties shall have any further claim or cause of action against any other parties.

If the condition precedent (g) has not been satisfied or waived by the Purchaser (in which case without prejudice to any other right or remedy that it may have) at or before 5:00 pm on the date falling on five (5) Business Days prior to the Completion Date, the Purchaser shall have the right to waive such Condition and proceed to Completion accordingly. However, if it is not waived by the Purchaser as aforesaid, either the Vendor or the Purchaser shall have the option by service of a written notice on the Purchaser to postpone the Completion Date to a date (being a Business Day) falling not more than sixty (60) days after the Completion Date. In the event that (a) after such postponement, such condition precedent still remains to be unsatisfied, or (b) neither the Vendor nor the Purchaser has elected to exercise such option, then either the Vendor or the Purchaser shall have the right to terminate the Sale and Purchase Agreement in which event the Vendor shall, within five (5) Business Days upon receipt of written demand by the Purchaser, return or procure to be returned to the Purchaser the Deposit without any interest or cost and subject to this, none of the parties shall have any further claim or cause of action against any other parties.

Completion

Completion shall take place on the Completion Date, provided that at any time following the issue of the Grant and after satisfaction (or waiver) of all other conditions precedents, the Purchaser shall have the right upon giving 14 days' written notice to the Vendor to request for Completion to take place on expiry of such notice.

Upon Completion, the Target Company will be consolidated in the Group's consolidated financial statements in accordance with the relevant accounting standards upon Completion.

Guarantee

Mr. Tang has unconditionally and irrevocably guaranteed as primary obligor to the Purchaser the due and punctual performance and observance by the Vendor of all obligations and undertakings under the Sale and Purchase Agreement and other transaction documents, including all payment obligations of the Vendor under the Sale and Purchase Agreement and other transaction documents (the "**Vendor's Obligations**") and undertakes to indemnify and keep indemnified the Purchaser against all losses which it may suffer or incur by reason of any default on the part of the Vendor in the performance of the Vendor's Obligations.

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
	(HK\$'000)	(HK\$'000)
Revenue	68,202	54,986
Profit/(loss) before taxation	9,248	(96,657)
Profit/(loss) after taxation	8,471	(97,208)

The audited net assets as at 31 December 2021 and 31 December 2020 of the Target Company amounted to approximately HK\$1,246,533,000 and HK\$1,238,062,000 respectively.

INFORMATION OF THE PROPERTY

The Property is situated at No.123 Castle Peak Road, Ting Kau, Tsuen Wan, Territories, Hong Kong with a hotel operating at the Property commonly known as "The Bay Bridge Lifestyle Retreat (汀蘭居)". The total gross floor area of the Property is approximately 216,314.00 square feet. The Property comprises a 16-storey hotel (including 3-storey basement) providing a total of 435 guest rooms with a restaurant, swimming pool and gym. The Property is held under a Government Lease commencing from 8 September 1992 and expiring on 30 June 2047 and the current Government rent payable is 3% of the total operating revenue of the Target Company 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 the British Virgin Islands with limited liability. The principal business of the Vendor is investment holding. The Vendor is wholly-owned by Lafa Yette Hotel Limited which is in turn wholly-owned by the late Mr. Tang Shing Bor, deceased.

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

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 SHH and its subsidiaries, which are conducted through its major subsidiaries SHP and MHI, include 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 as at the date of this announcement.

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

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Boards are of the opinion that the Acquisition represents a good opportunity to allow the Companies to (i) expand their existing hotel management services and hotel management portfolio; (ii) increase the source of revenue; and (iii) improve the profitability.

As mentioned above, the valuation of the Property as at 15 December 2021 was HK\$2,460,000,000 while the maximum consideration expected to be payable by the Purchaser after adjustment would not exceed HK\$1,440,000,000. The Group will be able to acquire the Property which is situate at a prime location in Hong Kong well below the market value.

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 Acquisition 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 Acquisition exceeds 100%, the Acquisition constitutes a very substantial acquisition 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 Acquisition 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 Vendor 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 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 Acquisition and the transactions contemplated thereunder. A circular containing, amongst other things, further information on the Acquisition, 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 Acquisition 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:

- "Acquisition" 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;
- "Administrators" the personal representative(s) of the estate of Mr. Tang Shing Bor, deceased appointed under the Grant;
- "Apportionment Account" the apportionment account for the Property showing:
- (a) all outstanding and unpaid outgoings and expenses of the Property (including but not limited to government rent, rates, insurance premium, water, electricity, gas, telephone charges, if any) attributable to the period up to and inclusive of the Completion Date and all rents, licence fees or other payments received by the Target Company on or before the Completion Date attributable to the period after the Completion Date of the Property, all of which are for the credit of the Purchaser; and
 - (b) all outgoings and expenses of the Property (including but not limited to government rent, rates, insurance premium, water, electricity, gas, telephone charges, Hotel Licence, F&B Licence and the Swimming Pool Licence, if any) which have been paid by the Target Company on or before the Completion Date but attributable to the period from but exclusive of the Completion Date (collectively, the "Prepayments") and all rents, licence fees or other payments received by the Target Company after the Completion Date but attributable to the period before and inclusive of the Completion Date, all of which are for the credit of the Vendor provided that and for the purpose of the Estimated Completion NAV or the Completion NAV, such rents, licence fees

or other payments shall not be taken into the calculation of total assets of the Target Company. Notwithstanding the aforesaid, in the event the Purchaser and/or the Target Company receives or recovers any such rents and licence fees within one (1) year after the Completion Date, the Purchaser undertakes with the Vendor that it shall procure the Target Company to account and pay over such amount(s) to the Vendor, as soon as reasonably practicable but in any event no later than five (5) Business Days upon receipt of such payment;

“associate(s)”	has the meanings ascribed to it under the Listing Rules;
"Audited Completion Accounts"	the audited accounts of the Target Company audited by the Target Company's auditors comprising a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows for the period from the day after 31 December 2021 to the Completion Date and a statement of financial position as at the Completion Date to be prepared in substantially the same form as Pro Forma Completion Accounts and delivered to the Purchaser by the Vendor in accordance with the terms of the Sale and Purchase Agreement;
“Board(s)”	the board of Directors of the respective Companies;
"Business Days"	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;
“Completion”	completion of the Acquisition under the Sale and Purchase Agreement and the transactions contemplated thereunder;

"Completion Date"	10 October 2022 or as may be extended as set out in the section headed "Conditions Precedent" of this announcement;
"Completion NAV"	the adjusted net asset value of the Target Company as at the date of Completion with reference to the Audited Completion Accounts determined in accordance with the terms of the Sale and Purchase Agreement;
"Director(s)"	director(s) of the Companies;
"Estimated Completion NAV"	the estimated Completion NAV determined in accordance with the terms of the Sale and Purchase Agreement and based on the Pro Forma Completion Accounts;
"Estate Loan Payable"	that portion of the loans and interest thereon owed to or due from the estate of the late Mr. Tang Shing Bor, deceased, by or from or to the Target Company which are payable by the Target Company to the estate of the late Mr. Tang Shing Bor, deceased as at Completion;
"F&B Licence"	the general restaurant licence (No.2292805202) relating to "Bay's Kitchen & Bar" at G/F, The Bay Bridge, 123 Castle Peak Road, Yau Kom Tau, Tsuen Wan, New Territories, Hong Kong for the period between 19 April 2022 to 18 April 2023;
"Grant"	a grant ad colligenda bona in respect of the estate of Mr. Tang Shing Bor, deceased, issued out of the Hong Kong courts to the extent of, among other things, the Estate Loan Payable which confers power on the Administrators to receive repayment of the Estate Loan Payable and to give a valid discharge therefor;
"Group"	SHH, SHP and MHI and their subsidiaries;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Hotel Guest Licences"	those licences granted to hotel guests in relation to the Property (excluding the Licences);

"Hotel Licence"	Licence No.H/2815 issued by Hotel and Guesthouse Accommodation Authority to the Target Company pursuant to the Hotel and Guesthouse Accommodation Ordinance (Cap.349 of the Law of Hong Kong) in respect of the operation of the Property as a hotel/guesthouse for the period from 20 March 2019 to 19 March 2022 with the Target Company as the licensee, which remains effective pursuant to and in accordance with the Hotel License Renewal Letter;
"Hotel Licence Renewal Letter"	the letter issued by the Hotel and Guesthouse Accommodation Authority dated 10 th November 2021 acknowledging receipt of the Target Company's application for renewal of the Hotel Licence and confirming continuous validity of the Hotel License;
"Hotel Operating Agreement"	the hotel operating agreement entered into between SG Hotel Group Management Limited T/A Tang's Living and the Target Company dated 1 October 2018 and further supplemented by a supplemental agreement dated 1 December 2018;
"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;
"Licences"	the existing other licences in respect of the Property (excluding the Hotel Licence F&B Licence, Hotel Guest Licences and the Swimming Pool Licence) entered into by the Target Company and/or SG Hotel Group Management Limited T/A Tang's Living as licensor in relation to operation of The Bay Bridge Lifestyle Retreat (汀蘭居) the hotel at the Property as at the date of this announcement;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;

“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 and the transactions contemplated thereunder;
“MHI Share(s)”	share(s) in the share capital of MHI;
“MHI Shareholder(s)”	holder(s) of MHI Shares;
"Mr. Tang"	Mr. Tang Yiu Sing (鄧耀昇), an Independent Third Party;
"Pro Forma Accounts"	Completion the unaudited pro forma balance sheet as at the Completion Date and the unaudited pro forma profit and loss account for the period from 1 January 2022 to the Completion Date of the Target Company to be prepared and delivered to the Purchaser by the Vendor in accordance with the terms of the Sale and Purchase Agreement, having taken into account the Apportionment Account
“Property”	ALL THAT piece or parcel of ground registered in the Land Registry as TSUEN WAN TOWN LOT NO.356 And of and in the messuages erections and buildings and car parking spaces thereon now known as NO.123 CASTLE PEAK ROAD, TING KAU, TSUEN WAN, TERRITORIES, HONG KONG and the hotel operated thereon known as The Bay Bridge Lifestyle Retreat (汀蘭居);
“Purchaser”	Shun Ho Construction (Holdings) Limited, a company incorporated in Hong Kong with limited liability and a directly wholly-owned subsidiary of MHI;

"Sale and Purchase Agreement"	the sale and purchase agreement dated 11 May 2022 entered into between the Vendor, the Purchaser and Mr. Tang;
"Sale Loan"	the aggregate amount then outstanding and owing by the Target Company to the Vendor as at Completion, and which will be assigned from the Vendor to the Purchaser at Completion which is in the amount of approximately HK\$435,719,000 as at 31 December 2021;
"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 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 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;
"Swimming Pool Licence"	the swimming pool licence dated 30 June 2021 (No.2792000307) issued by the Food and Environmental Hygiene Department for one year from 11 September 2021 to 10 September 2022;
"Target Company"	Ocean Time Investments Limited (海麗投資有限公司), a company incorporated in Hong Kong with limited liability and is wholly-owned by the Vendor as at the date of this announcement;
“Vendor”	Crest Incorporated, a company incorporated in the British Virgin Islands with limited liability and an Independent Third Party;
“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.