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**MAGNIFICENT HOTEL
INVESTMENTS LIMITED**

(incorporated in Hong Kong with
limited liability)

(Stock Code: 201)

**MAJOR
TRANSACTION**



**SHUN HO PROPERTY
INVESTMENTS LIMITED**

(incorporated in Hong Kong with
limited liability)

(Stock Code: 219)

**MAJOR
TRANSACTION**



**SHUN HO HOLDINGS
LIMITED**

(incorporated in Hong Kong with
limited liability)

(Stock Code: 253)

**MAJOR
TRANSACTION**

**JOINT ANNOUNCEMENT
ACQUISITION OF PROPERTY**

THE ACQUISITION

The Boards are pleased to announce that the Purchaser, an indirect wholly-owned subsidiary of MHI, has succeeded in a competitive bid of the Property through a public tender in the City of London, UK and entered into the Purchase Agreement and completed the Acquisition with the Vendor on 29 January 2020 pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to buy the Property for a consideration of GBP40,000,000 (equivalent to approximately HK\$404,540,000).

MHI, SHP and SHH are all listed on the Stock Exchange. SHH controls approximately 63.44% of SHP, which in turn controls approximately 71.09% of MHI.

Since one of the applicable percentage ratios for the Acquisition exceeds 25% but below 100%, the Acquisition constitutes a major transaction for each of SHH, SHP and MHI and requires SHH Shareholders' approval, SHP Shareholders' approval and MHI Shareholders' approval. However, according to the Rule 14.33A(1) of the Listing Rules, a Qualified Property Acquisition which constitutes a major transaction or very substantial acquisition is exempt from shareholders' approval if it is undertaken on a sole basis by a Qualified Issuer in its ordinary and usual course of business.

The Purchaser acquired the Property in the City of London from the government of the City of London through a public tender, the competitive bidding process is fairly structured and established, and the bidders have no discretion to change

pre-established terms, acquiring government land through a bidding process is a common practice in the City of London, therefore, the Acquisition constitutes a Qualified Property Acquisition. Further, the MHI Group is principally engaged in hotel investment and management and property leasing. The Acquisition is considered by MHI to be in its ordinary and usual course of business. Thus Rule 14.33A(1) of the Listing Rules is fulfilled.

Respective circulars containing further particulars of the Acquisition in accordance with Rules 14.66 and 14.67 and other information as required under the Listing Rules will be despatched to the SHH Shareholders, SHP Shareholders and MHI Shareholders for information purposes on or around 25 March 2020 for inclusion of the financial information into the Circular.

The Boards are pleased to announce that the Purchaser, an indirect wholly-owned subsidiary of MHI has succeeded in a competitive bid of the Property through a public tender in the City of London, UK and entered into the Purchase Agreement and completed the Acquisition with the Vendor on 29 January 2020 pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to buy the Property for a consideration of GBP40,000,000 (equivalent to approximately HK\$404,540,000).

THE PURCHASE AGREEMENT

Date	29 January 2020
Completion date	29 January 2020. The Consideration shall be settled in full simultaneous exchange and completion of the Purchase Agreement and was paid in cash by the Purchaser.
Parties:	
Vendor	The Mayor and Commonalty and Citizens of the City of London, the government of the City of London.
Purchaser	Wood Street Hotel Limited (a private limited company incorporated in England and Wales), an indirect wholly-owned subsidiary of MHI.

To the best of the knowledge, information and belief of the Boards, after making all reasonable enquiries, as at the date of the Purchase Agreement and as at the date of this announcement, the Vendor and the ultimate beneficial owners of the Vendor are Independent Third Parties.

Consideration and Completion

The Consideration for the Acquisition is GBP40,000,000 (equivalent to approximately HK\$404,540,000). The Consideration shall be settled in full simultaneous exchange and completion of the Purchase Agreement and was paid in cash by the Purchaser.

One of the distinguishing features of the UK conveyancing practice and procedures which the Acquisition follows from that of Hong Kong is that proof of title to the properties had been achieved upon signing of the Purchase Agreement. As such it is common practice in the UK (and in the case of the Acquisition) that full-payment having been made upon signing of the Purchase agreement. At the time of signing the Purchase Agreement, the title to the Property had been proved to the Purchaser.

The Acquisition is conducted in accordance with the normal conveyancing practice in the UK and the Purchase Agreement shall be governed by and construed in accordance with the laws of England and Wales.

The Consideration was determined based on the bid price made by the Purchaser during a public tender which was in turn determined with reference to (i) the prevailing property market conditions of the area where the Property are located; and (ii) the development potential of the Property as of the date of the bidding the public tender.

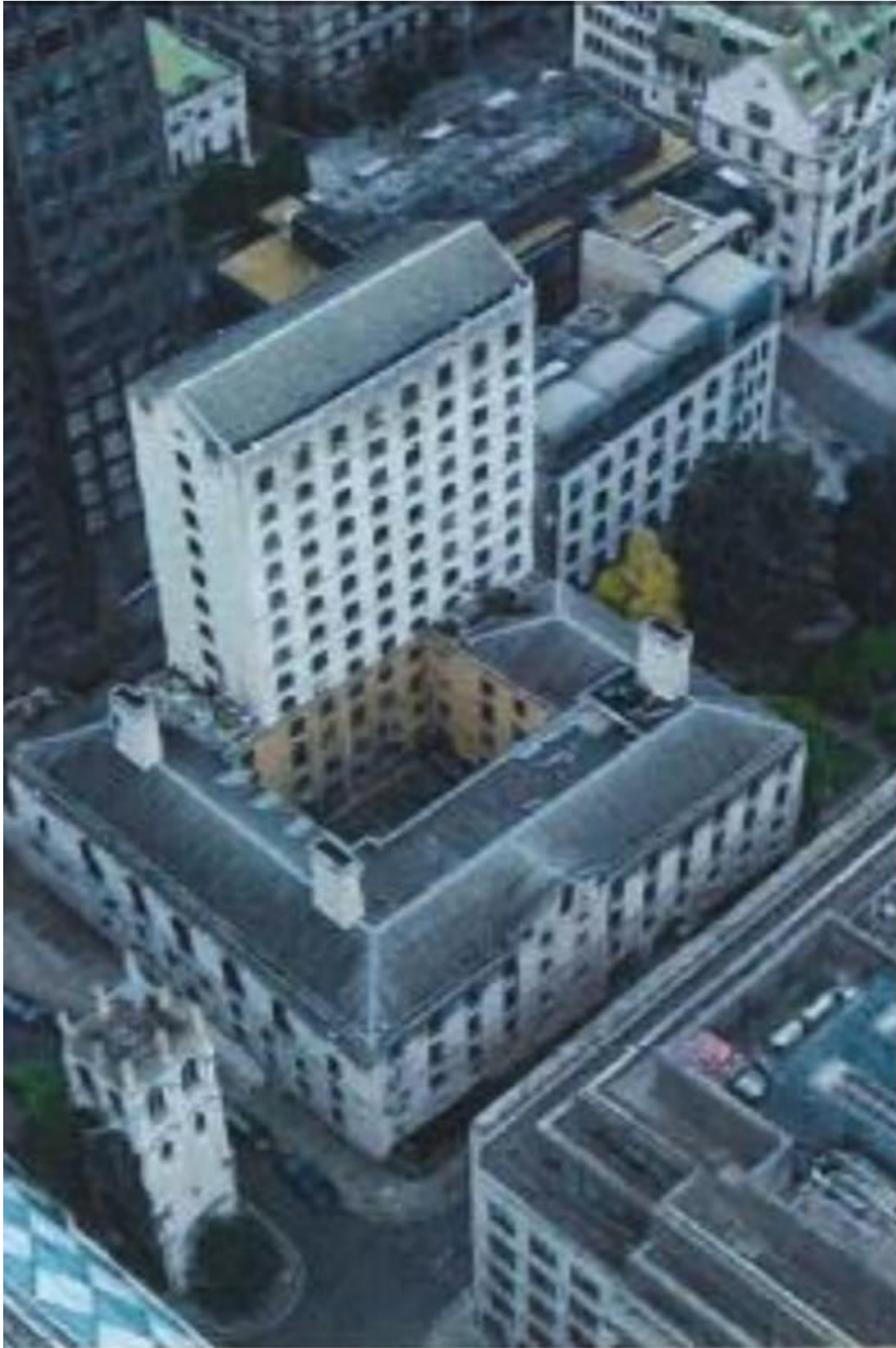
The Consideration will be funded by the internal resources of the MHI Group.

The Directors (including the independent non-executive Directors) consider the Acquisition has been made on normal commercial terms which are fair and reasonable and are of the view that the Acquisition is in the interest of the Companies and the SHH Shareholders, the SHP Shareholders and the MHI Shareholders as a whole.

INFORMATION ON THE PROPERTY

The Property is situated at Wood Street Police Headquarter, 37 Wood Street London EC1 UK together with any buildings now or hereafter erected thereon, the total gross internal area of the Property is 117,472 sq. ft. (10,913.3 sq. m.). The Property is 0.18 hectare (approximately 20,000 sq. ft.) island site. The Property is purchased on a new long lease of 151 years commencing from the Completion at a peppercorn rent.

The Property is located in the core of the City of London, approximately 350 metres north west of the Bank of England. The Property occupies a prominent corner position at the junction of Wood Street and Love Lane. The Property is located within 6 minutes walk of Liverpool Street Station and Moorgate Crossrail Station.



The Property
Wood Street Police Headquarter, 37 Wood Street London EC1 UK



The Property

Wood Street Police Headquarter, 37 Wood Street London EC1 UK

The Property is the Grade II* listed building. It comprises two primary forms, a four storey building built around a large courtyard, with a 12 storey tower to the north east corner of the site. Constructed between 1963-66 by McMorran and Whitby. It is a striking example of neo-classical architecture. The Property was purpose built for the City of London Police Headquarter.

The Property is currently occupied by the City of London Police. Following completion of the Acquisition, the Vendor shall occupy the Property as a police station house and expires on 10 June 2021 in accordance with the Leaseback Agreement dated 29 January 2020 entered between the Vendor and the Purchaser. During the period from 29 January 2020 up to and include 10 December 2020, the rent shall be a peppercorn. The yearly rent is GBP800,004 (equivalent to approximately HK\$8,091,000) per annum commencing from 11 December 2020, exclusive of value added tax and all charges for electricity and other services consumed at or in relation to the Property. The Vendor, as the tenant in the Leaseback Agreement, have the right to determine the Leaseback Agreement at any time after 31 July 2020 and give not less than one month's previous notice in writing of such desire to the Purchaser, as the landlord in the Leaseback Agreement.

REASONS FOR AND BENEFITS OF THE ACQUISITION

MHI Group is principally engaged in hotel development and management and property leasing. SHP Group is principally engaged in property investments and leasing. SHH Group is principally an investment holding company, through its major subsidiaries is also engaged in property investments and leasing and hotel investment and management. The Acquisition is considered by MHI to be in its ordinary and usual course of business.

The Vendor is The Mayor and Commonalty and Citizens of the City of London, the government of the City of London.

Given the vibrant economic importance of center district, the City of London, UK and the development prospect of the Property, the Boards believes that the Acquisition provides an excellent investment opportunity for the MHI Group (a member of the SHP Group and SHH Group) to expand and diversify into property investments in the City of London, one of the world's biggest commercial and tourist center. The Boards are also of the view that the Acquisition will allow the Group to strategically increase its investment in London, UK.

The purchase price of GBP40,000,000 (equivalent to approximately HK\$404,540,000), represents a good opportunity for the Group to acquire a sizeable property in the Central London location at a relative low price at GBP341 (equivalent to approximately HK\$3,500) per sq. ft. gross based on 117,472 sq. ft. total gross internal area. The Acquisition also allows the Groups to enter into the London commercial and tourism center and to benefit from considerable refurbishment potential and its future incomes.

Planning consent approval will be applied for any change of use from existing sui generis use to office, retail use or hotel use. The excellent location of the Property being in the center of the City of London is ideal for conversion to a grade A office, and retail and food/beverages mix uses. However, the management consider even more excellent plan to renovate this high profile well located heritage building to become a deluxe heritage hotel of about 200 guest rooms with restaurant, bar, ballroom and spa with gross internal area about 117,472 sq. ft. The management is proud of having this opportunity to renovate this deluxe and heritage building in the center of the City of London.

A positive pre consent application meeting was held with the Planning Department, in which the following matters were discussed and agreed:

- Internal alterations to reconfigure and rationalise the existing building could be undertaken
- Conversion of the two storey basement space, for a mix of commercial uses
- Infill of the courtyard, to be of high quality materials and detailing, having regard for the historic interest of the building
- An office scheme would be supported
- Potential for conversion to hotel use, which would offer the opportunity to retain interior features within the building and protect the building's heritage
- A mix of complementary commercial uses at ground and basement, including A1, and or D2.

Since MHI is a 71.09%-owned subsidiary of SHP, which in turn is a 63.44%-owned subsidiary of SHH, both SHP and SHH will benefit from the Acquisition through its shareholdings in MHI. For the above reasons, the Boards are of the view that the Acquisition is in the best interests of the Companies and the SHH Shareholders, the SHP Shareholders and the MHI Shareholders as a whole.

LISTING RULES IMPLICATIONS

MHI, SHP and SHH are all listed on the Stock Exchange. SHH controls approximately 63.44% of SHP, which in turn controls approximately 71.09% of MHI.

Since one of the applicable percentage ratios for the Acquisition exceeds 25% but below 100%, the Acquisition constitutes a major transaction for each of SHH, SHP and MHI and requires SHH Shareholders' approval, SHP Shareholders' approval and MHI Shareholders' approval. However, according to the Rule 14.33A(1) of the Listing Rules, a Qualified Property Acquisition which constitutes a major transaction or very substantial acquisition is exempt from shareholders' approval if it is undertaken on a sole basis by a Qualified Issuer in its ordinary and usual course of business.

The Purchaser acquired the Property in the City of London from the government of the City of London through a public tender, the competitive bidding process is fairly structured and established, and the bidders have no discretion to change pre-established terms, acquiring government land through a bidding process is a common practice in the City of London, therefore, the Acquisition constitutes a Qualified Property Acquisition. Further, the MHI Group is principally engaged in hotel investment and management and property leasing. The Acquisition is considered by MHI to be in its ordinary and usual course of business. Thus, the Rule 14.33A(1) of the Listing Rules is fulfilled.

Respective circulars containing further particulars of the Acquisition in accordance with Rules 14.66 and 14.67 and other information as required under the Listing Rules will be despatched to the SHH Shareholders, SHP Shareholders and MHI Shareholders for information purposes on or around 25 March 2020 which is more than 15 business days after publication of this announcement, as additional time is required to prepare the information to be included in the circular, including the indebtedness statement. The Company will apply to the Stock Exchange for a waiver from strict compliance of Rule 14.41(a) of the Listing Rules in respect of the delay in despatch of the circular.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless otherwise provided:

“Acquisition”	the acquisition of the Property pursuant to the Purchase Agreement
“associate(s)”	has the meanings ascribed to it under the Listing Rules

“Board(s)”	the board of Directors of the respective Companies
“Companies”	MHI, SHP and SHH
“Completion”	the closing of the Acquisition pursuant to the terms and conditions of the Purchase Agreement
“Consideration”	the consideration payable by the Purchaser for the Property under the Purchase Agreement
“Director(s)”	director(s) of the Companies
“GBP”	British Pound(s), the lawful currency of UK
“Groups”	MHI Group, SHP Group and SHH Group
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Leaseback Agreement”	the leaseback agreement dated 29 January 2020 between the Vendor and the Purchaser in relation to the leaseback of the Property
“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
“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
“MHI Group”	MHI and its subsidiaries
“MHI Share(s)”	share(s) in the share capital of MHI
“MHI Shareholder(s)”	holder(s) of MHI Shares

“Property”	All those premises known as Wood Street Police Headquarter, 37 Wood Street London EC1 UK together with any buildings now or hereafter erected thereon and all additions alterations and improvements thereto under a new 151 year long leasehold interest in the Property, commencing on the completion of the Acquisition
“Purchaser”	Wood Street Hotel Limited (a limited company incorporated in England and Wales), an indirect wholly owned subsidiary of MHI
“Purchase Agreement”	the headlease agreement dated 29 January 2020 between the Vendor and the Purchaser in relation to the Acquisition
“Qualified Issuer”	has the meanings ascribed to it under the Listing Rules
“Qualified Property Acquisition”	has the meanings ascribed to it under the Listing Rules
“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
“SHH Group”	SHH and its subsidiaries
“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
“SHP Group”	SHP and its subsidiaries
“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
“UK”	the United Kingdom of Great Britain and Northern Ireland
“Vendor”	The Mayor and Commonalty and Citizens of the City of London, the government of the City of London
“Working Day”	any day (other than a Saturday or a Sunday) on which clearing banks in the City of London are actually open for banking business during banking hours and references to "Working Days" shall be construed accordingly
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“sq. ft.”	square feet
“%”	per cent.

In this announcement, save as otherwise stated, figures in GBP are translated to HK\$ at the exchange rate of GBP1.00 = HK\$10.1135 (which represents the median of bank buy and bank sell rates for telegraphic transfer quoted by HSBC at around 4:00 pm on 29 January 2020) for illustration purposes only. No representations is made that any amount in GBP could be converted at such rates or any other rates.

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, 29 January 2020

As at the date hereof, the Board of MHI comprises of five executive directors, namely Mr. William Cheng Kai Man, Mr. Albert Hui Wing Ho, Madam Kimmy Lau Kam May, Madam Ng Yuet Ying and Madam Jennie Wong Kwai Fong; 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. Lam Kwai Cheung.

As at the date hereof, the Board of SHP and SHH comprises of four executive directors, namely Mr. William Cheng Kai Man, Mr. Albert Hui Wing Ho, Madam Kimmy Lau Kam May and Madam Jennie Wong Kwai Fong; 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. Lam Kwai Cheung.