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**MAGNIFICENT HOTEL  
INVESTMENTS LIMITED**

*(incorporated in Hong Kong with  
limited liability)*

**(Stock Code: 201)**

**DISCLOSEABLE TRANSACTION**



**SHUN HO PROPERTY  
INVESTMENTS LIMITED**

*(incorporated in Hong Kong with  
limited liability)*

**(Stock Code: 219)**

**DISCLOSEABLE TRANSACTION**



**SHUN HO HOLDINGS  
LIMITED**

*(incorporated in Hong Kong with  
limited liability)*

**(Stock Code: 253)**

**DISCLOSEABLE TRANSACTION**

**JOINT ANNOUNCEMENT  
DISPOSAL OF LISTED SECURITIES**

**THE DISPOSAL**

Mercury Fast Limited, being a subsidiary of MHI, SHP and SHH, disposed on-market 1,916,400 HSBC Shares (“Disposed Shares”) on 2 September 2016 for an aggregate disposed price of HK\$114,116,000 (exclusive of transaction costs).

**LISTING RULES IMPLICATIONS**

MHI, SHP and SHH are all listed on the Stock Exchange. SHH controls approximately 62.02% of SHP, which in turn controls approximately 71.09% of MHI.

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

**THE DISPOSAL**

The Boards is pleased to announce that MHI, SHP and SHH, through its wholly-owned subsidiary, disposed on-market the Disposed Shares on 2 September 2016 at the price between HK\$59.50 and 59.65 per HSBC Share (exclusive of transaction costs).

The average price (exclusive of transaction costs) for the Disposal of each HSBC Share was HK\$59.547 (closing price as of this announcement date HK\$59.00) The aggregate disposed price of the Disposed Shares was HK\$114,116,000 (exclusive of transaction costs) represented the then market price of the HSBC Shares.

For MHI, as the Disposal was made through the market, MHI was not aware of the identities of the buyers of the Disposed Shares and accordingly, to the best knowledge, information and belief of the directors of MHI and having made all reasonable enquiries, the buyers of the Disposed Shares are Independent Third Parties.

For SHP, as the Disposal was made through the market, SHP was not aware of the identities of the buyers of the Disposed Shares and accordingly, to the best knowledge, information and belief of the directors of SHP and having made all reasonable enquiries, the buyers of the Disposed Shares are Independent Third Parties.

For SHH, as the Disposal was made through the market, SHH was not aware of the identities of the buyers of the Disposed Shares and accordingly, to the best knowledge, information and belief of the directors of SHH and having made all reasonable enquiries, the buyers of the Disposed 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

<b>High</b>	<b>Low</b>
HK\$63.30	HK\$44.50

The following information is extracted from the annual report of HSBC for the two financial years ended 31 December 2015 and 31 December 2014 respectively:

	<b>Year ended 31 December</b>	
	<b>2015</b>	<b>2014</b>
	<i>US\$ million</i>	<i>US\$ million</i>
Operating Income	71,092	74,593
Profit before tax	18,867	18,680
Profit after tax	15,096	14,705

As extracted from interim report of HSBC, the consolidated net assets value of HSBC Group as at 30 June 2016 is US\$198,297 million.

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

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

SHP Group is principally engaged in property investments and leasing. Through its major subsidiary, MHI, SHP is also engaged in investment in and operation of hotels.

SHH Group is principally an investment holding company. Through its major subsidiaries, SHP and MHI, SHH is principally engaged in property investment and leasing, investment in and operation of hotels.

The gain of HK\$386,000 will be expected to accrue to MHI, SHP and SHH. The basis for calculating this gain was the difference between aggregate cost of acquisition and aggregate sales proceed received (inclusive of transaction costs). During the period of investment in HSBC Shares, an additional dividend of HK\$6,093,000 and HK\$1,487,000 was received and will be received from the Disposed Shares respectively. The total amount of gain derived from HSBC Investment amounted to HK\$7,966,000.

The management is very pleased with the recent acquisition of Royal Scot Hotel London. The reason to dispose the HSBC Shares is to make ready cash resources available for future acquisition of more hotel properties in Hong Kong or London.

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

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

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

## **IMPLICATIONS UNDER THE LISTING RULES**

MHI, SHP and SHH are all listed on the Stock Exchange. SHH controls approximately 62.02% of SHP, which in turn controls approximately 71.09% of MHI.

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

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

For SHH, as certain applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but less than 25%, the Disposal constitutes a discloseable transaction for SHH 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:

“Boards”	MHI Board, SHP Board and SHH Board
“Disposed Shares”	an aggregate of 1,916,400 HSBC Shares representing approximately 0.0096% of the entire issued share capital of HSBC at the date of this announcement
“Disposal”	the disposal by Mercury Fast Limited on the Stock Exchange of the Disposed Shares on 2 September 2016
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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
“MHI”	means Magnificent Hotel Investments Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“MHI Board”	means the board of directors of MHI
“MHI Group”	means MHI and its subsidiaries
“SHH”	means Shun Ho Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“SHH Board”	means the board of directors of SHH

“SHH Group”	means SHH and its subsidiaries
“SHP”	means Shun Ho Property Investments Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed of the Stock Exchange
“SHP Board”	means the board of directors of SHP
“SHP Group”	means SHP and its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percentage

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*

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*Chairman*

**William CHENG Kai Man**  
*Chairman*

Hong Kong, 2 September 2016

*As at the date hereof, the MHI 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 SHP 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 SHH 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.*