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**SHUN HO TECHNOLOGY
HOLDINGS LIMITED**

(incorporated in Hong Kong with limited liability)
(Stock Code: 219)

Connected Transaction



MAGNIFICENT ESTATES LIMITED

(incorporated in Hong Kong with limited liability)
(Stock Code: 201)

Connected Transaction

**ANNOUNCEMENT
DISPOSAL OF SALE ASSETS**

The Boards are pleased to announce that (i) Magnificent Estates, (ii) the Vendor, a wholly-owned subsidiary of Magnificent Estates and (iii) the Purchasers had on 26 April 2013 entered into the Agreement for the disposal of the Sale Assets at an aggregate consideration of HK\$175,725,864.

The Sale Assets comprise of (a) the Sale Trans-Profit Shares and (b) the Sale Debt. Pursuant to the Agreement, (i) the Vendor as the beneficial owner agreed to sell to the Purchasers the Sale Trans-Profit Shares, representing an aggregate of 32% of the total issued share capital of Trans-Profit, of which 25% to the First Purchaser and 7% to the Second Purchaser at the total consideration of HK\$144,739,242 (as to HK\$113,077,533 paid by the First Purchaser and as to HK\$31,661,709 paid by the Second Purchaser); and (ii) Magnificent Estates as the assignor agreed to assign and transfer to the Purchasers the Sale Debt, representing an aggregate of 32% of its benefits and interests of and in the shareholder's loan owed by Trans-Profit to Magnificent Estates, of which 25% to the First Purchaser and 7% to the Second Purchaser at the total consideration of HK\$30,986,622 (as to HK\$24,208,298 paid by the First Purchaser and as to HK\$6,778,324 paid by the Second Purchaser).

The major assets of Trans-Profit comprise 100% interest in the Property.

As at the date of this announcement, Shun Ho Resources controls approximately 52.49% of the total voting rights of Shun Ho Technology, which in turn controls approximately 71.09% of the total voting rights of Magnificent Estates. Magnificent Estates, Shun Ho Technology and Shun Ho Resources are all listed on the Stock Exchange. Shun Ho Resources is therefore a controlling shareholder and connected person of Shun Ho Technology and Magnificent Estates, and Shun Ho Technology is therefore a controlling shareholder and a connected person of Magnificent Estates, both by virtue of the Rules 14A.11(1) of the Listing Rules.

Shun Ho Technology is the First Purchaser. The Second Purchaser is a wholly-owned subsidiary of Shun Ho Resources and thus an associate of Shun Ho Resources and a connected person of Shun Ho Technology and Magnificent Estates. Accordingly, (a) the disposal of the Sale Assets by Magnificent Estates and the Vendor to the First Purchaser and the Second Purchaser constitutes connected transactions of Magnificent Estates and (b) the disposal of the Sale Assets by Magnificent Estates and the Vendor to the Second Purchaser constitutes connected transaction of Shun Ho Technology.

In respect of both of the connected transactions of Magnificent Estates and Shun Ho Technology, since the applicable percentage ratios for the relevant disposal are less than 5%, the disposal of Sale Assets is only subject to reporting and announcement requirements and is exempt from the independent shareholders' approval requirements under Rules 14A.32 of the Listing Rules.

Magnificent Estates, being a non-wholly owned subsidiary of Shun Ho Technology and Shun Ho Resources, is not a connected person of Shun Ho Technology and Shun Ho Resources under Rule 14A.11(5) of the Listing Rules as, to the best knowledge, information and belief of the Directors after making all reasonable enquiry, (a) none of the connected persons of Shun Ho Technology and Shun Ho Resources is or are (individually or together) entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of Magnificent Estates; and (b) Magnificent Estates is not an associate of the connected persons of Shun Ho Technology and Shun Ho Resources. Accordingly, the acquisitions of the Sale Assets by the First Purchaser and the Second Purchaser do not constitute connected transaction for both Shun Ho Technology and Shun Ho Resources under Chapter 14A of the Listing Rules. Further, Shun Ho Technology, being a non-wholly owned subsidiary of Shun Ho Resources, is not a connected person of Shun Ho Resources under Rule 14A.11(5) of the Listing Rules as, to the best knowledge, information and belief of the Directors after making all reasonable enquiry, (a) none of the connected persons of Shun Ho Resources is or are (individually or together) entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of Shun Ho Technology; and (b) Shun Ho Technology is not an associate of the connected persons of Shun Ho Resources. Accordingly, the acquisition of the Sale Assets by the Second Purchaser does not constitute connected transaction for Shun Ho Resources under Chapter 14A of the Listing Rules.

INTRODUCTION

The Boards are pleased to announce that (i) Magnificent Estates, (ii) the Vendor, a wholly-owned subsidiary of Magnificent Estates and (iii) the Purchasers had on 26 April 2013 entered into the Agreement for the disposal of the Sale Assets at an aggregate consideration of HK\$175,725,864.

AGREEMENT

Date: 26 April 2013

Parties: (i) Longham Investment Limited, as the Vendor
(ii) Shun Ho Technology, as the First Purchaser
(iii) Omnico Company Inc., a wholly-owned subsidiary of Shun Ho Resources, as the Second Purchaser

The Vendor is a wholly-owned subsidiary of Magnificent Estates.

Assets to be disposed

Pursuant to the Agreement, (i) the Vendor as the beneficial owner agreed to sell to the Purchasers the Sale Trans-Profit Shares, representing an aggregate of 32% of the total issued share capital of Trans-Profit, of which 25% to the First Purchaser and 7% to the Second Purchaser at the total consideration of HK\$144,739,242 (as to HK\$113,077,533 paid by the First Purchaser and as to HK\$31,661,709 paid by the Second Purchaser); and (ii) Magnificent Estates as the assignor agreed to assign and transfer to the Purchasers the Sale Debt, representing an aggregate of 32% of its benefits

and interests of and in the shareholders' loan owed by Trans-Profit to Magnificent Estates, of which 25% to the First Purchaser and 7% to the Second Purchaser at the total consideration of HK\$30,986,622 (as to HK\$24,208,298 paid by the First Purchaser and as to HK\$6,778,324 paid by the Second Purchaser).

The major assets of Trans-Profit comprise 100% interest in the Property.

The net assets of Trans-Profit based on its audited statement of financial position as at 31 December 2011 and 31 December 2012 were HK\$372,639,604 and HK\$452,310,130 respectively. The net profit of Trans-Profit before taxation for the years ended 31 December 2011 and 31 December 2012 were HK\$15,117,399 and HK\$81,161,495 respectively. The net profit of Trans-Profit after taxation for the years ended 31 December 2011 and 31 December 2012 were HK\$13,946,458 and HK\$79,670,526 respectively.

As at 31 December 2012, the total shareholder's loan owed by Trans-Profit to Magnificent Estates was HK\$96,833,193. The Sale Debt in the aggregate amount of HK\$30,986,622 (including interest) represents 32% of the loan owed by Trans-Profit to Magnificent Estates. The shareholder's loan is carrying on 5% fixed interest rate per annum, unsecured, without fixed term of repayment and repayment on demand.

The Property

The Property comprises ALL those pieces or parcels of land registered in the Land Registry as Inland Lot No. 7579, The Remaining Portion of Section I of Inland Lot No. 617, The Remaining Portion of Section J of Inland Lot No. 617 & The Remaining Portion of Sub-section 1 of Section L of Inland Lot No.617 together with all messuages, erections and buildings thereon known as Shun Ho Tower at Nos. 24-30 Ice House Street, Central, Hong Kong, and has a total site area of approximately 3,650 square feet. The gross floor area of the Property is approximately 54,312 square feet.

The book value of the Property as at 31 December 2012 is HK\$559,000,000. The amounts of rental income attributable to the Property for the years 2011 and 2012 were HK\$16,286,568 and HK\$18,202,705 respectively. Currently, the annual rental income is approximately HK\$18,000,000 and the occupancy rate is 100%. According to the valuation report made by an independent professional valuer as at 31 December 2012, the value of the Property is HK\$559,000,000.

Consideration

The aggregate Consideration for the Sale Assets is HK\$175,725,864 payable in cash by the First Purchaser as to HK\$137,285,831 and the Second Purchaser as to HK\$38,440,033.

The First Purchaser and the Second Purchaser had already paid the Consideration in full at the Completion which took place simultaneously when the Agreement was signed.

The Consideration was determined after arm's length negotiations between the parties to the Agreement taking into account the prevailing market conditions in Hong Kong, the valuation conducted by the independent professional valuer and values of comparable properties in the vicinity.

The Boards (including the independent non-executive Directors) consider that the disposal of the Sale Assets is on normal commercial terms and the terms of the Agreement are fair and reasonable and are in the interests of Magnificent Estates and Shun Ho Technology and their respective shareholders as a whole. Mr. William CHENG Kai Man, an executive Director of Magnificent Estates, Shun Ho Technology and Shun Ho Resources, has 100% interest in Trillion Resources Limited which in turn

controls approximately 50.60% of the total voting rights of Shun Ho Resources as at the date of this announcement. In view of the said shareholding, Mr. William CHENG abstained from voting on the board resolution of Magnificent Estates, Shun Ho Technology and Shun Ho Resources concerning the disposal of the Sale Assets.

COMPLETION OF THE AGREEMENT

Completion of the Agreement took place simultaneously when the Agreement was signed. After the Completion, the financial results of Trans-Profit are still consolidated into the financial statements of Magnificent Estates.

REASONS FOR AND BENEFITS OF THE DISPOSAL

As part of the strategic planning and development, Magnificent Estates continues to identify appropriate sizeable property sites as acquisition targets for development of hotels and residential serviced apartment. Magnificent Estates has recently submitted tenders for the government sale of hotel development site at Shu Kuk Street, North Point and residential development site at Area 65 C1, Tseung Kwan O. The proceeds from the Disposal are intended to be applied to finance future property acquisitions and the construction cost of the hotel site at No.338 Queen's Road West as well as used for general working capital. It is believed that the Disposal could provide source of funding for future acquisitions without increasing the bank borrowing or indebtedness of Magnificent Estates, Shun Ho Technology and Shun Ho Resources as a whole. Apart from acquisition of sizeable sites for project development, it is also the strategy of Magnificent Estates to dispose property assets of smaller scale at good price amid the booming property market in recent years, for example, Magnificent Estates Group has disposed its houses in Tuen Mun at HK\$63,000,000 and such sales proceeds are intended to be used for future property acquisition.

FINANCIAL EFFECTS OF THE DISPOSAL

At the Completion, Magnificent Estates and the Vendor have already received an aggregate cash consideration of HK\$175,725,864 which is the gross proceeds before expenses from the Disposal.

The book value of the Property as at 31 December 2012 was HK\$559,000,000 and the original cost of the Property is HK\$205,780,000.

Magnificent Estates and the Vendor do not have any gain or loss on the disposal of Sale Assets. After consolidation, Magnificent Estates and Shun Ho Technology do not expect to have the gain or loss on the disposal of the Property. As to Shun Ho Resources, there is no expected gain or loss shown on their respective consolidated financial statements due to the elimination under the accounting policies.

GENERAL

Magnificent Estates Group is principally engaged in property investment, property development and leasing, investment in and operation of hotels.

Shun Ho Technology Group is principally an investment holding company. Through its major subsidiary, Magnificent Estates, Shun Ho Technology is principally engaged in property investment,

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Boards”	the board of Directors of Magnificent Estates and Shun Ho Technology
“Completion”	the completion of the sale and purchase of the Sale Trans-Profit Shares and Sale Debt pursuant to the terms and conditions of the Agreement
“Consideration”	the aggregate consideration payable by the Purchasers for the Sale Assets under the Agreement
“Director(s)”	director(s) of Magnificent Estates and Shun Ho Technology
“Disposal”	the disposal of the Sale Assets by Magnificent Estates and the Vendor to the First Purchaser and the Second Purchaser
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Magnificent Estates”	Magnificent Estates Limited (華大地產投資有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Magnificent Estates Group”	Magnificent Estates and its subsidiaries
“percentage ratios”	has the same meaning ascribed to it under the Listing Rules
“PRC”	The People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Property”	The Property comprises ALL those pieces or parcels of land registered in the Land Registry as Inland Lot No. 7579, The Remaining Portion of Section I of Inland Lot No. 617, The Remaining Portion of Section J of Inland Lot No. 617 & The Remaining Portion of Sub-section 1 of Section L of Inland Lot No.617 together with all messuages, erections and buildings thereon known as Shun Ho Tower at Nos. 24-30 Ice House Street, Central, Hong Kong
“Purchasers”	collectively, the First Purchaser and the Second Purchaser
“Sale Assets”	the Sale Trans-Profit Shares and the Sale Debt
“Sale Debt”	32% of the existing shareholder’s loan owed by Trans-Profit to Magnificent Estates in the sum of HK\$30,986,622 (including interest)
“Sale Trans-Profit Shares”	320,000 issued ordinary shares of HK\$1.00 each in Trans-Profit,

	representing 32% of the total issued share capital of Trans-Profit
“Second Purchaser”	Omnico Company Inc., a wholly-owned subsidiary of Shun Ho Resources
“Shun Ho Resources”	Shun Ho Resources Holdings Limited (順豪資源集團有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Shun Ho Resources Group”	Shun Ho Resources and its subsidiaries
“Shun Ho Technology” or “First Purchaser”	Shun Ho Technology Holdings Limited (順豪科技控股有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Shun Ho Technology Group”	Shun Ho Technology and its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trans-Profit”	Trans-Profit Limited, a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of Magnificent Estates as at the date of this announcement
“Vendor”	Longham Investment Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Magnificent Estates
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the board of directors
Shun Ho Technology Holdings Limited

William Cheng Kai Man
Chairman

By order of the board of directors
Magnificent Estates Limited

William Cheng Kai Man
Chairman

Hong Kong, 26 April 2013

As at the date hereof, the Boards of each of Shun Ho Technology and Magnificent Estates comprise of 2 executive Directors, namely Mr. William CHENG Kai Man and Mr. Albert HUI Wing Ho; 1 non-executive Director, namely Madam Mabel LUI FUNG Mei Yee and 3 Independent non-executive Directors, namely Mr. Vincent KWOK Chi Sun, Mr. CHAN Kim Fai and Mr. HUI Kin Hing.