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**MAGNIFICENT HOTEL
INVESTMENTS LIMITED**

華大酒店投資有限公司

*(Incorporated in Hong Kong
with limited liability)*

(Stock Code: 201)



**SHUN HO PROPERTY
INVESTMENTS LIMITED**

順豪物業投資有限公司

*(Incorporated in Hong Kong
with limited liability)*

(Stock Code: 219)



**SHUN HO HOLDINGS
LIMITED**

順豪控股有限公司

*(Incorporated in Hong Kong
with limited liability)*

(Stock Code: 253)

**CONNECTED
TRANSACTION
AND
DISCLOSEABLE
TRANSACTION
AND
PROPOSED SPECIAL
DIVIDEND**

**OFF-MARKET
SHARE BUY-BACK
AND
DISCLOSEABLE
TRANSACTION**

**VOLUNTARY
ANNOUNCEMENT**

JOINT ANNOUNCEMENT

**(1) TRANSFER OF SHARES IN
SHUN HO PROPERTY INVESTMENTS LIMITED**

(2) POSSIBLE OFF-MARKET SHARE BUY-BACK

(3) PROPOSED SPECIAL DIVIDEND

Independent financial adviser of MHI Independent Board Committee

ALTUS CAPITAL LIMITED
浩德融資有限公司

Independent financial adviser of SHP Independent Board Committee



紅日資本有限公司
RED SUN CAPITAL LIMITED

THE SHARE BUY-BACK

The Boards are pleased to announce that on 10 May 2026 (after trading hours), Mercury Fast Limited as the Vendor, a wholly owned subsidiary of Magnificent Hotel, and Shun Ho Property as the Purchaser entered into the Share Buy-back Agreement pursuant to which the Vendor agreed to sell and the Purchaser agreed to repurchase 68,139,510 SHP Shares, representing 11.75% of the total issued shares of Shun Ho Property, at a cash consideration of HK\$48,106,494.

The completion of the Share Buy-back will be subject to and conditional upon the prior and continued satisfaction (or, where applicable, waiver) of certain conditions. Upon completion of the Share Buy-back, the Sale Shares will be transferred to the Purchaser and held as treasury shares of Shun Ho Property as permitted under the Companies Ordinance. The percentage interest of all other SHP Shareholders in the issued SHP Shares (excluding treasury shares, if any) will be proportionally increased.

PROPOSED SPECIAL DIVIDEND TO MHI SHAREHOLDERS

In order to provide an opportunity to return to the MHI Shareholders a substantial part of their indirect investment in SHP Shares, Magnificent Hotel proposes to use the proceeds from the Share Buy-back received by the Vendor, net all expenses incurred for effecting the Share Buy-back, as special cash dividend for proportional distribution to all MHI Shareholders. Therefore, Magnificent Hotel proposes to recommend to the MHI Shareholders for approval the Special Cash Dividend subject to, amongst others, approval by the MHI Shareholders at the MHI EGM. However, the distribution of the Special Cash Dividend is conditional upon Completion of the Share Buy-back.

IMPLICATIONS UNDER THE LISTING RULES

The Purchaser is a controlling shareholder holding (directly and indirectly) 71.09% of equity interest in Magnificent Hotel which is the sole shareholder of the Vendor. Therefore, the Purchaser is a connected person of Magnificent Hotel for the purpose of Chapter 14A of the Listing Rules and the entering into of the Share Buy-back Agreement constitutes a connected transaction for Magnificent Hotel. As one or more of the applicable percentage ratios in respect of the Share Buy-back are more than 5%, the Share Buy-back is subject to the reporting, annual review, announcement and independent shareholders' approval requirements for Magnificent Hotel.

As the maximum applicable percentage ratio exceeds 5% but is less than 25% for each of Magnificent Hotel and Shun Ho Property for the purpose of Chapter 14 of the Listing Rules, the entering into of the Share Buy-back Agreement constitutes a discloseable transaction and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules for each of Magnificent Hotel and Shun Ho Property.

IMPLICATIONS UNDER THE SHARE BUY-BACKS CODE AND THE TAKOVERS CODE

The Share Buy-back constitutes an off-market share buy-back by Shun Ho Property under the Share Buy-backs Code. Shun Ho Property will make an application to the Executive for approval of the Share Buy-back pursuant to Rule 2 of the Share Buy-backs Code. The Executive's approval, if granted, will normally be conditional upon, among other things, approval of the Share Buy-back by at least three-fourths of the votes cast on a poll by the SHP Independent Shareholders present in person or by proxy at a general meeting of Shun Ho Property.

For the purposes of the Share Buy-backs Code, Omnico Company Inc., Trillion Resources Limited and Mr. William CHENG Kai Man will be considered as "disinterested shareholders" under Rule 2 of the Share Buy-backs Code and may vote at the SHP EGM in relation to the Share Buy-back and will be treated as SHP Independent Shareholders.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISERS

Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, has been appointed with the approval of the MHI Independent Board Committee as the MHI Independent Financial Adviser to advise the MHI Independent Board Committee and the MHI Independent Shareholders as to the Listing Rules and in particular as to whether the Share Buy-back Agreement is, or is not, fair and reasonable and as to voting.

Red Sun Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, has been appointed with the approval of the SHP Independent Board Committee as the SHP Independent Financial Adviser to advise the SHP Independent Board Committee and the SHP Independent Shareholders as to the Share Buy-back and in particular as to whether the Share Buy-back is, or is not, fair and reasonable and as to voting.

APPOINTMENT OF INDEPENDENT BOARD COMMITTEES

The MHI Independent Board Committee comprises all independent non-executive directors of Magnificent Hotel. The SHP Independent Board Committee comprises all non-executive directors of Shun Ho Property, all of whom do not have any direct or indirect interest in the Share Buy-back. The MHI Independent Board Committee and SHP Independent Board Committee will advise the MHI Independent Shareholders and the SHP Independent Shareholders respectively, on the Share Buy-back.

PUBLIC FLOAT

The Purchaser has a public float of approximately 34.35% of the issued SHP Shares as at the date of this announcement, which includes the 68,139,510 SHP Shares which do not carry any voting rights, being shares held by a subsidiary of the Purchaser in accordance with the Companies Ordinance. Upon completion of the Share Buy-back and assuming there is no other change in shareholding of the Purchaser, the public float of the Purchaser will be reduced to approximately 25.60% of the issued SHP Shares (excluding treasury shares, if any) which is above the minimum prescribed percentage of 25% under Rule 8.08 of the Listing Rules.

EGM AND DESPATCH OF CIRCULARS

An SHP Circular containing, among others: (i) details of the Share Buy-back Agreement; (ii) a letter of recommendation from the SHP Independent Board Committee to the SHP Independent Shareholders on the Share Buy-back; (iii) a letter of advice from the SHP Independent Financial Adviser to the SHP Independent Board Committee and the SHP Independent Shareholders on the Share Buy-back; and (iv) a notice of the SHP EGM, will be despatched to the SHP Shareholders in accordance with the Listing Rules, the Share Buy-backs Code and the Companies Ordinance within 21 days from the date of this announcement. As such, the expected date of dispatch of the circular will be on or before 31 May 2026, unless extended with the consent of the Executive.

An MHI Circular containing, among others: (i) details of the Share Buy-back Agreement; (ii) a letter of recommendation from the MHI Independent Board Committee to the MHI Independent Shareholders on the Share Buy-back; and (iii) a letter of advice from the MHI Independent Financial Adviser to the MHI Independent Board Committee and the MHI Independent Shareholders on the Share Buy-back; and (iv) a notice of the MHI EGM, will be despatched to the MHI Shareholders in accordance with the Listing Rules within 15 business days from the date of this announcement. Given that additional time is needed to include certain information in the MHI Circular, the expected date of dispatch of the MHI Circular will be on or before 1 June 2026, unless further extended by Magnificent Hotel by making further announcement.

The Purchaser, being a subsidiary of Shun Ho Holdings and the holding company of Magnificent Hotel, is a company incorporated in Hong Kong and listed on the Main Board of the Stock Exchange which is, through its subsidiaries, principally engaged in investment and operation of hotels, property investment and securities investment.

The Vendor, being a direct wholly-owned subsidiary of Magnificent Hotel, is a company incorporated in Hong Kong with limited liability which is principally engaged in securities dealings and investment holding.

Shareholders and potential investors in the Companies should be aware that the proposed Share Buy-back is subject to the conditions set out in this announcement, and consequently the proposed Share Buy-back may or may not proceed. The proposal to recommend the Special Cash Dividend is subject to approval by the MHI Board and the payment of the Special Cash Dividend is subject to the conditions set out in this announcement, and consequently the payment of the Special Cash Dividend may or may not be made. Accordingly, shareholders of the Companies and potential investors of the Companies are advised to exercise caution when dealing in the SHP Shares and the other securities of the Companies.

THE SHARE BUY-BACK AGREEMENT

The principal terms of the Share Buy-back Agreement are summarised below:

Date

10 May 2026

Parties

- (1) The Vendor; and
- (2) The Purchaser.

The Share Buy-back

Pursuant to the Share Buy-back Agreement, the Vendor agreed to sell and the Purchaser agreed to repurchase 68,139,510 SHP Shares, representing 11.75% of the total issued shares of Shun Ho Property, at a cash consideration of HK\$48,106,494.

The completion of the Share Buy-back will be subject to and conditional upon the prior and continued satisfaction (or, where applicable, waiver) of certain conditions. Upon completion of the Share Buy-back, the Sale Shares will be transferred to the Purchaser and held as treasury shares of Shun Ho Property as permitted under the Companies Ordinance. The percentage interest of all other SHP Shareholders in the issued SHP Shares (excluding treasury shares, if any) will be proportionally increased.

Consideration

The consideration of the Share Buy-back was determined by the contract parties after arm's length negotiations at HK\$0.706 per share, which is the average closing share price of Shun Ho Property for five business days preceding and including the date of the Share Buy-back Agreement.

For reference, the consideration of the Share Buy-back of HK\$0.706 per each SHP Share represents:

- (a) a premium of approximately 0.56% to the closing price of HK\$0.710 per SHP Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) the average of the closing prices of the SHP Shares as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day of approximately HK\$0.706 per SHP Share;
- (c) a premium of approximately 1.00% to the average of the closing prices of the SHP Shares as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day of approximately HK\$0.699 per SHP Share;
- (d) a premium of approximately 2.32% over the average of the closing prices of the SHP Shares as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day of approximately HK\$0.690 per SHP Share;
- (e) a premium of approximately 0.43% over the average of the closing prices of the SHP Shares as quoted on the Stock Exchange for the last 60 trading days up to and including the Last Trading Day of approximately HK\$0.703 per SHP Share;
- (f) a premium of approximately 2.62% to the average of the closing prices of the SHP Shares as quoted on the Stock Exchange for the last 90 trading days up to and including the Last Trading Day of approximately HK\$0.688 per SHP Share; and
- (g) a discount of approximately 94.96% over the audited net asset value of Shun Ho Property of approximately HK\$14.01 per SHP Share as at 31st December 2025, calculated based on Shun Ho Property's audited consolidated net asset value attributable to ordinary Shareholders of approximately HK\$8,125,010,000 as at 31st December 2025 and 579,753,289 SHP Shares in issue as at the date of this announcement.

During the six-month period immediately preceding and including the date of this announcement, the highest closing price of the SHP Shares as quoted on the Stock Exchange was HK\$0.760 on 13 March 2026 and the lowest closing price of the SHP Shares as quoted on the Stock Exchange was HK\$0.510 on 25 November 2025.

The total consideration for the Share Buy-back is HK\$48,106,494.

As at the date of this announcement, there is no outstanding declared but unpaid dividend in respect of the SHP Shares.

Shun Ho Property

Shun Ho Property, being a subsidiary of Shun Ho Holdings and the holding company of Magnificent Hotel, is a company incorporated in Hong Kong and listed on the Main Board of the Stock Exchange which is, through its subsidiaries, principally engaged in investment and operation of hotels, property investment and securities investment.

The net asset value of Shun Ho Property as at 31 December 2025 was approximately HK\$8,125,010,000. Financial results of Shun Ho Property for the two years immediately preceding the date of the Share Buy-back Agreement are as follows:

	For the year ended 31 December	
	2025	2024
	(audited)	(audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net (loss) before tax	(145,632)	(288,063)
Net (loss) after tax	(179,699)	(308,457)

The original cost of the Sale Shares was HK\$34,069,755. Therefore, the Share Buy-back is expected to give rise to gain on disposal of HK\$14,036,739 for Magnificent Hotel Group, which is the difference between the consideration of the Share Buy-back and the original cost.

Conditions of the Completion

Completion of the Share Buy-back is subject to the following conditions:

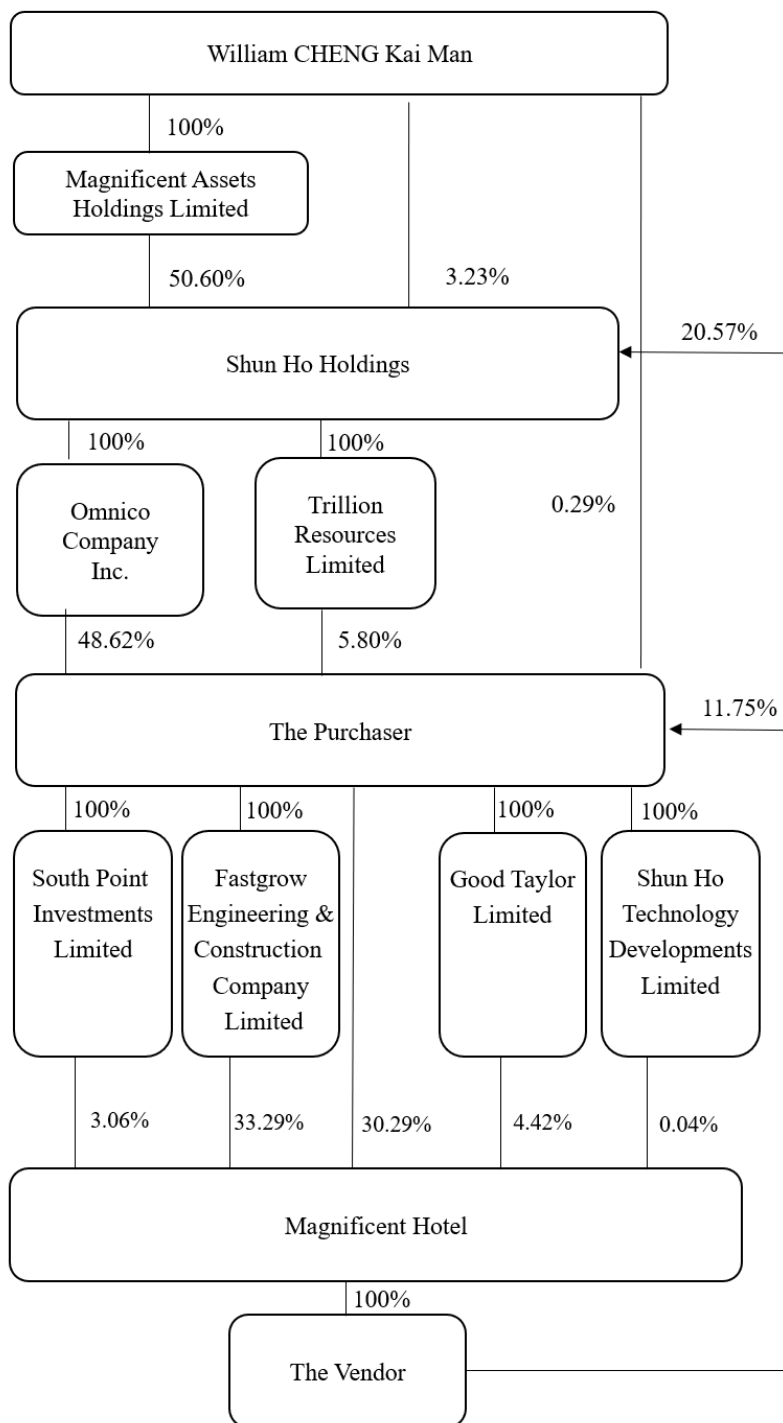
- (i) the obtaining of the approval of the SHP Shareholders in the forthcoming annual general meeting of Shun Ho Property in respect of adoption of the new articles of associations allowing the use of treasury shares;
- (ii) the obtaining of the approval by at least three-fourths of the SHP Independent Shareholders in the SHP EGM in respect of Share Buy-back; and
- (iii) the obtaining of the approval by MHI Independent Shareholders in the MHI EGM in respect of the Share Buy-back.

As at the date of this announcement, none of the conditions has been satisfied.

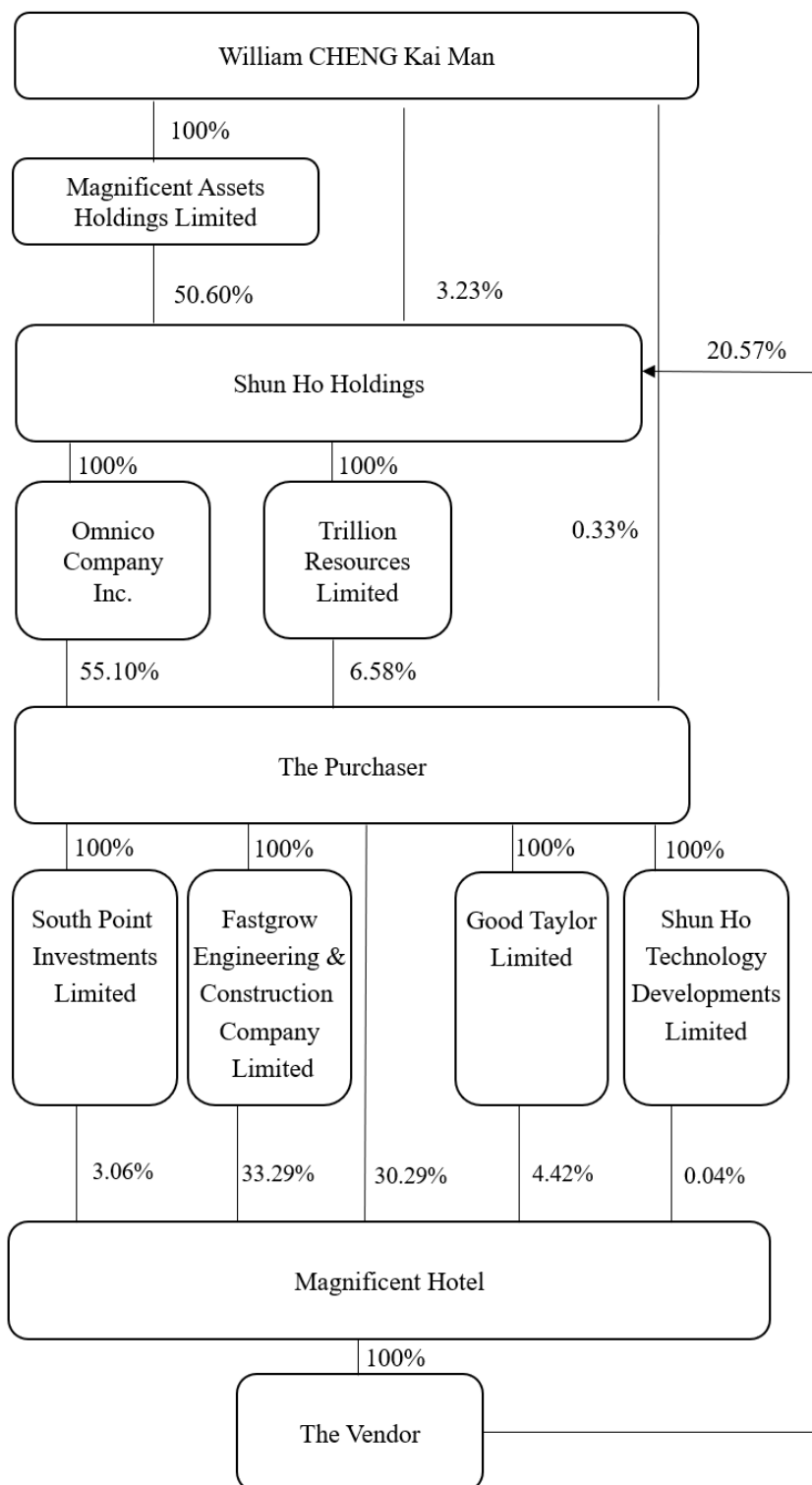
CHANGE IN SHAREHOLDING STRUCTURE

The shareholding structures of Shun Ho Property and Magnificent Hotel before and after Completion are as follows:

Before Completion



After Completion



Set out below for illustrative purposes is the shareholding structure of the Purchaser as at the date of this announcement and immediately after completion of the Share Buy-back, assuming there is no other change in the shareholdings of the Purchaser before and immediately after completion of the Share Buy-back:

	As at the date of this announcement		Immediately after the completion of the Share Buy-back (excluding treasury shares)	
	No. of Shares	%	No. of Shares	%
Shun Ho Holdings Group companies and controlling shareholder				
Mercury Fast Limited ¹	68,139,510	11.75	-	-
Omnico Company Inc. ^{2,3}	281,904,489	48.62	281,904,489	55.10
Trillion Resources Limited ³	33,642,000	5.80	33,642,000	6.58
William CHENG Kai Man ⁴	1,710,000	0.29	1,710,000	0.33
Sub-total	385,395,999	66.48	317,256,489	62.01
Other Independent Shareholders	194,357,290	33.52	194,357,290	37.99
Total	579,753,289	100	511,613,779	100

Notes: As at the date of this announcement:

- (1) Mercury Fast Limited, being an indirect non-wholly owned subsidiary of Shun Ho Property, beneficially owned 68,139,510 SHP Shares (11.75%). In accordance with the Hong Kong Companies Ordinance, Mercury Fast Limited, being a company within SHP Group who is a shareholder of Shun Ho Property, has no right to vote at meetings of Shun Ho Property.
- (2) Omnico Company Inc. beneficially owned 281,904,489 SHP Shares (48.62%) and was taken to be interested in 68,139,510 SHP Shares (11.75%) held by Mercury Fast Limited which was owned as to 100% by Magnificent Hotel, which was in turn owned as to 71.09% by SHP Group. Shun Ho Property was in turn directly and indirectly owned as to 60.38% by Omnico Company Inc.
- (3) Both Omnico Company Inc. and Trillion Resources Limited were direct wholly-owned subsidiaries of Shun Ho Holdings, which was in turn directly and indirectly owned as to 71.17% by Magnificent Assets Holdings Limited, which was in turn wholly-owned by Mr. William CHENG Kai Man. Since Trillion Resources Limited beneficially owned 33,642,000 SHP Shares (5.80%), Shun Ho Holdings and Magnificent Assets Holdings Limited were taken to be interested in 383,685,999 SHP Shares (66.18%) by virtue of their direct or indirect interests in Omnico Company Inc. and Trillion Resources Limited.

- (4) *William CHENG Kai Man is the chairman and executive director of Shun Ho Property who beneficially owned 1,710,000 SHP Shares (0.29%). He is also taken to be interested in 383,685,999 SHP Shares (66.18%) by virtue of his direct and/or indirect interests in Magnificent Assets Holdings Limited, Shun Ho Holdings, Omnico Company Inc., Trillion Resources Limited and Mercury Fast Limited.*

Following Completion:

- (1) The Sales Shares will be repurchased and held by the Purchaser as treasury shares;
- (2) Shun Ho Holdings's equity interest in the Purchaser will decrease from approximately 66.18% (including 68,139,510 SHP Shares of approximately 11.75% which do not carry any voting rights) to 61.68% (excluding treasury shares); and
- (3) Mr. William CHENG Kai Man's (being the ultimate controlling shareholder of the Companies, and Chairman and Executive Director of each of the Companies) equity interest in the Purchaser will decrease from approximately 66.48% (including 68,139,510 SHP Shares of approximately 11.75% which do not carry any voting rights) to 62.01% (excluding treasury shares).

OTHER ARRANGEMENTS

As at the date of this announcement:

- (a) none of Shun Ho Property, Mr. William CHENG Kai Man, or any party acting in concert with any of them has secured an irrevocable commitment to vote in favour of or against the Share Buy-back Agreement and/or the Share Buy-back;
- (b) none of Shun Ho Property, Mr. William CHENG Kai Man, or any party acting in concert with any of them owns or has control or direction over any voting rights or rights over the SHP Shares or any outstanding options, warrants, or any securities that are convertible into SHP Shares or any derivatives in respect of SHP Shares nor has entered into any outstanding derivative in respect of securities in Shun Ho Property;
- (c) none of Shun Ho Property, Mr. William CHENG Kai Man, or any party acting in concert with any of them has any arrangement (whether by way of option, indemnity or otherwise) under Note 8 to Rule 22 of the Takeovers Code in relation to the SHP Shares or the shares of Omnico Company Inc., and Trillion Resources Limited which might be material to the Share Buy-back Agreement and/or the Share Buy-back;
- (d) none of Shun Ho Property, Mr. William CHENG Kai Man, or any party acting in concert with any of them has any agreement or arrangement to which Shun Ho Property, Mr. William CHENG Kai Man or any party acting in concert with any of them is a party which relates to the circumstances in which any one of them may or may not invoke or seek to invoke a pre-condition or a condition to the Share Buy-back Agreement and/or the Share Buy-back;

- (e) none of Shun Ho Property, Mr. William CHENG Kai Man, or any party acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in Shun Ho Property;
- (f) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between Shun Ho Property, Mr. William CHENG Kai Man, or any party acting in concert with any of them on the one hand, and the Vendor or any party acting in concert with any of it on the other hand; and
- (g) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any SHP Shareholder; and (ii)(a) Mr. William CHENG Kai Man, or any party acting in concert with him; or (b) Shun Ho Property, its subsidiaries or associated companies.

PROPOSED SPECIAL DIVIDEND TO MHI SHAREHOLDERS

In order to provide an opportunity to return to the MHI Shareholders a substantial part of their indirect investment in SHP Shares, Magnificent Hotel proposes to use the proceeds from the Share Buy-back received by Mercury Fast, net all expenses incurred for effecting the Share Buy-back, as special cash dividend for proportional distribution to all MHI Shareholders. Therefore, Magnificent Hotel proposes to recommend to the MHI Shareholders for approval the Special Cash Dividend subject to, amongst others, approval by the MHI Shareholders at the MHI EGM. However, the distribution of the Special Cash Dividend is conditional upon completion of the Share Buy-back.

Further announcements will be made by Magnificent Hotel in respect of the Special Cash Dividend as and when appropriate or required.

REASONS AND BENEFITS FOR THE TRANSACTION

The SHP Board considered that the Share Buy-back strategically optimises Shun Ho Property's capital structure by effectively reducing the number of shares treated as outstanding for earnings per share and net asset value per share calculations. It signals strong management confidence in Shun Ho Property's value, potentially supporting share price stability or uplift. Treasury shares also provide operational flexibility for future uses, such as employee share incentive schemes, acquisitions, or resale during favorable market conditions, without immediate dilution. In consolidated financial statements, the Sale Shares are treated as indirect treasury holdings, enhancing equity presentation and avoiding artificial inflation from subsidiary cross-ownership. It also provides an opportunity to unwind the previous grandfathered legacy issue in respect of the 68,139,510 shares of Shun Ho Property held by Mercury Fast which have been in place for over 20 years and is also in line with current corporate governance practice.

The MHI Board considered that the Share Buy-back as a result of the disposal of non-core assets by Magnificent Hotel has brought the MHI Shareholders with the benefit of enjoying high cash dividend distribution in the current environment of unstable and challenging hotel business/market, dangerous geo-politics and potential high inflation risk which is likely to dampen the travel industry. The Share Buy-back unlocks liquidity from long-held non-core and non-yielding assets. Selling at market price generates immediate cash proceeds, which are fully distributed proportionally, delivering tangible returns to the MHI Shareholders. This enhances shareholder value through refocusing on operational assets and direct cash returns, simplifies portfolio management, and aligns with efficient capital allocation principles.

Overall, the SHP Board and the MHI Board believed that such intercompany transactions create win-win outcomes: net asset value accretion and flexibility for SHP Shareholders, alongside liquidity and high dividend opportunity in difficult market for MHI Shareholders, fostering long-term group value in a compliant manner.

Taking into account the above, the directors of Magnificent Hotel (excluding the members of the MHI Independent Board Committee who will give their opinion after taking advice from the MHI Independent Financial Adviser) are of the view that the terms and conditions of the Share Buy-back Agreement are fair and reasonable, and in the interests of Magnificent Hotel and the MHI Shareholders as a whole .

Taking into account the above, the directors of Shun Ho Property (excluding the members of the SHP Independent Board Committee who will give their opinion after taking advice from the SHP Independent Financial Adviser) are of the view that the terms and conditions of the Share Buy-back are fair and reasonable, and in the interests of Shun Ho Property and the SHP Shareholders as a whole.

Save and except for Mr. William CHENG Kai Man who has abstained from voting on the relevant MHI Board resolution approving the Share Buy-back Agreement as a result of his interest in Shun Ho Property, none of the directors of Magnificent Hotel have a material interest in the Share Buy-back Agreement and are required to be abstained from voting on the board resolutions of Magnificent Hotel approving the Share Buy-back Agreement.

None of the directors of Shun Ho Property have a material interest in the Share Buy-back (in the case of Mr. William CHENG Kai Man, any material interest in the Share Buy-back which is different from the interests of all other SHP Shareholders) and are required to be abstained from voting on the board resolutions of Shun Ho Property approving the Share Buy-back.

INFORMATION ON THE PARTIES

The Vendor

The Vendor (a direct wholly-owned subsidiary of Magnificent Hotel) is incorporated in Hong Kong with limited liability which is principally engaged in securities dealings and investment holding.

The Purchaser

Shun Ho Property, which indirectly holds 71.09% equity interest in Magnificent Hotel, is a company incorporated in Hong Kong with limited liability and listed on the Main Board of the Stock Exchange which is, through its subsidiaries, principally engaged in investment and operation of hotels, property investment and securities investment.

Magnificent Hotel

Magnificent Hotel, which holds 100% equity interest in the Vendor, is a company incorporated in Hong Kong with limited liability and listed on the Main Board of the Stock Exchange which is, through its subsidiaries, principally engaged in investment and operation of hotels, property investment and securities investment.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISERS

Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, has been appointed with the approval of the MHI Independent Board Committee as the MHI Independent Financial Adviser to advise the MHI Independent Board Committee and the MHI Independent Shareholders as to the Listing Rules and in particular as to whether the Share Buy-back Agreement is, or is not, fair and reasonable and as to voting.

Red Sun Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, has been appointed with the approval of the SHP Independent Board Committee as the SHP Independent Financial Adviser to advise the SHP Independent Board Committee and the SHP Independent Shareholders as to the Share Buy-back and in particular as to whether the Share Buy-back is, or is not, fair and reasonable and as to voting.

APPOINTMENT OF INDEPENDENT BOARD COMMITTEES

The MHI Independent Board Committee comprises all Independent Non-executive Directors of Magnificent Hotel. The SHP Independent Board Committee comprises all non-executive directors of Shun Ho Property, all of whom do not have any direct or indirect interest in the Share Buy-back. The MHI Independent Board Committee and SHP Independent Board Committee will advise the MHI Independent Shareholders and the SHP Independent Shareholders respectively, on the Share Buy-back.

PUBLIC FLOAT

The Purchaser has a public float of approximately 34.35% of the issued SHP Shares as at the date of this announcement, which includes the 68,139,510 SHP Shares which do not carry any voting rights, being shares held by a subsidiary of the Purchaser in accordance with the Companies Ordinance. Upon completion of the Share Buy-back and assuming there is no other change in shareholding of the Purchaser, the public float of the Purchaser will be reduced to approximately 25.60% of the issued SHP Shares (excluding treasury shares, if any) which is above the minimum prescribed percentage of 25% under Rule 8.08 of the Listing Rules.

CAPITAL MANAGEMENT

The Share Buy-back will be funded by Shun Ho Property's internal resources. Shun Ho Property has idle funds of HK\$172,218,850 as at the date of this announcement and has sufficient resources to conduct the Share Buy-back. Completion of the Share Buy-back will reduce the idle funds of Shun Ho Property from HK\$172,218,850 to HK\$124,248,635, which will not have any material impact on the financial position and operations of Shun Ho Property.

Shun Ho Property has not conducted buy-backs of SHP Shares previously, and does not, as at the date of this announcement, have plans to do so following the completion of the Share Buy-back. Any future decision to conduct further buy-backs of SHP Shares will require an assessment by Shun Ho Property at the relevant time.

IMPLICATIONS UNDER THE LISTING RULES

The Purchaser is a controlling shareholder holding (directly and indirectly) 71.09% of equity interest in Magnificent Hotel which is the sole shareholder of the Vendor. Therefore, the Purchaser is a connected person of Magnificent Hotel for the purpose of Chapter 14A of the Listing Rules and the entering into of the Share Buy-back Agreement constitutes a connected transaction for Magnificent Hotel. As one or more of the applicable percentage ratios in respect of the Share Buy-back are more than 5%, the Share Buy-back is subject to the reporting, annual review, announcement and independent shareholders' approval requirements for Magnificent Hotel.

As the maximum applicable percentage ratio exceeds 5% but is less than 25% for each of Magnificent Hotel and Shun Ho Property for the purpose of Chapter 14 of the Listing Rules, the entering into of the Share Buy-back Agreement constitutes a discloseable transaction and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules for each of Magnificent Hotel and Shun Ho Property.

IMPLICATIONS UNDER THE SHARE BUY-BACKS CODE AND THE TAKEOVERS CODE

The Share Buy-back constitutes an off-market share buy-back by Shun Ho Property under the Share Buy-backs Code. Shun Ho Property will make an application to the Executive for approval of the Share Buy-back pursuant to Rule 2 of the Share Buy-backs Code. The Executive's approval, if granted, will normally be conditional upon, among other things, approval of the Share Buy-back by at least three-fourths of the votes cast on a poll by the SHP Independent Shareholders present in person or by proxy at a general meeting of Shun Ho Property.

For the purposes of the Share Buy-backs Code, Omnico Company Inc., Trillion Resources Limited and Mr. William CHENG Kai Man will be considered as "disinterested shareholders" under Rule 2 of the Share Buy-backs Code and may vote at the SHP EGM in relation to the Share Buy-back and will be treated as SHP Independent Shareholders.

EGM AND DESPATCH OF CIRCULAR

An SHP Circular containing, among others: (i) details of the Share Buy-back Agreement; (ii) a letter of recommendation from the SHP Independent Board Committee to the SHP Independent Shareholders on the Share Buy-back; (iii) a letter of advice from the SHP Independent Financial Adviser to the SHP Independent Board Committee and the SHP Independent Shareholders on the Share Buy-back; and (iv) a notice of the SHP EGM, will be despatched to the SHP Shareholders in accordance with the Listing Rules, the Share Buy-backs Code and the Companies Ordinance within 21 days from the date of this announcement. As such, the expected date of dispatch of the circular will be on or before 31 May 2026, unless extended with the consent of the Executive.

An MHI Circular containing, among others: (i) details of the Share Buy-back Agreement; (ii) a letter of recommendation from the MHI Independent Board Committee to the MHI Independent Shareholders on the Share Buy-back; and (iii) a letter of advice from the MHI Independent Financial Adviser to the MHI Independent Board Committee and the MHI Independent Shareholders on the Share Buy-back; and (iv) a notice of the MHI EGM, will be despatched to the MHI Shareholders in accordance with the Listing Rules within 15 business days from the date of this announcement. Given that additional time is needed to include certain information in the MHI Circular, the expected date of dispatch of the MHI Circular will be on or before 1 June 2026, unless further extended by Magnificent Hotel by making further announcement.

Shareholders and potential investors in the Companies should be aware that the proposed Share Buy-back is subject to the conditions set out in this announcement, and consequently the proposed Share Buy-back may or may not proceed. The proposal to recommend the Special Cash Dividend is subject to approval by the MHI Board and the payment of the Special Cash Dividend is subject to the conditions set out in this announcement, and consequently the payment of the Special Cash Dividend may or may not be made. Accordingly, shareholders of the Companies and potential investors of the Companies are advised to exercise caution when dealing in the SHP Shares and the other securities of the Companies.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code;
“Boards”	the boards of Directors;
“Companies”	Magnificent Hotel, Shun Ho Property and Shun Ho Holdings;
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Completion”	the completion of the Share Buy-back pursuant to the terms and conditions of the Share Buy-back Agreement;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Companies;
“Executive”	The Executive Director of the Corporate Finance Division of the SFC or any of its delegates;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Last Trading Day”	8 May 2026, being the last trading day on which the SHP Shares were traded on the Stock Exchange prior to the issue and publication of this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Magnificent Hotel”	Magnificent Hotel Investments Limited, a company incorporated in Hong Kong with limited liability and listed on the Main Board of the Stock Exchange (stock code: 201), which directly holds 100% equity interest in the Vendor;
“Magnificent Group”	Magnificent Hotel and its subsidiaries;
“MHI Board”	the board of Directors of Magnificent Hotel;

“MHI Circular”	the circular of Magnificent Hotel;
“MHI EGM”	the extraordinary general meeting of Magnificent Hotel 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 Share Buy-back Agreement and the transactions contemplated thereunder;
“MHI Independent Board Committee”	the independent board committee of Magnificent Hotel formed pursuant to the Listing Rules;
“MHI Independent Financial Adviser”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, which has been appointed with the approval of the MHI Independent Board Committee as the independent financial adviser to advise the MHI Independent Board Committee and the MHI Independent Shareholders as to the Listing Rules and in particular as to whether the Share Buy-back Agreement is, or is not, fair and reasonable and as to voting;
“MHI Independent Shareholders”	shareholders of Magnificent Hotel other than (i) South Point Investments Limited; (ii) Fastgrow Engineering & Construction Company Limited; (iii) Good Taylor Limited; (iv) Shun Ho Technology Developments Limited; and (v) Shun Ho Property;
“MHI Share(s)”	share(s) in the share capital of Magnificent Hotel;
“MHI Shareholder(s)”	holder(s) of MHI Shares;
“PRC”	the People’s Republic of China;
“Purchaser” or “Shun Ho Property”	Shun Ho Property Investments Limited, a company incorporated in Hong Kong with limited liability and listed on the Main Board of the Stock Exchange (stock code: 219), which is the holding company of Magnificent Hotel and the Vendor;
“Sale Shares”	68,139,510 shares in Shun Ho Property;
“SFC”	The Securities and Futures Commission of Hong Kong;
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;

“Share Buy-backs Code”	The Code on Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time;
“Share Buy-back”	the transfer of the Sale Shares by the Vendor to the Purchaser pursuant to the Share Buy-back Agreement, which (i) for the purposes of the Listing Rules, constitutes a discloseable and connected transaction for Magnificent Hotel and a discloseable transaction for Shun Ho Property; and (ii) for the purposes of the Share Buy-backs Code, constitutes an off-market share buy-back by Shun Ho Property;
“Share Buy-back Agreement”	the agreement dated 10 May 2026 entered into between the Vendor and the Purchaser in relation to, among others, the Share Buy-back;
“Shareholder(s)”	shareholder(s) of the Companies;
“SHP Board”	the board of Directors of Shun Ho Property;
“SHP Circular”	the circular of Shun Ho Property;
“SHP EGM”	the extraordinary general meeting of Shun Ho Property 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 Share Buy-back and the transactions contemplated thereunder;
“SHP Group”	Shun Ho Property together with its subsidiaries;
“SHP Independent Board Committee”	the independent committee of the board of directors of Shun Ho Property comprising all the non-executive Directors, namely Madam Mabel Lui Fung Mei Yee, Mr. Chan Kim Fai, Mr. Lam Kwai Cheung and Mr. Warren Liu Yuk Cho, formed pursuant to the Share Buy-backs Code;
“SHP Independent Financial Adviser”	Red Sun Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, which has been appointed with the approval of the SHP Independent Board Committee as the independent financial adviser to advise the SHP Independent Board Committee and the SHP Independent Shareholders as to the Share Buy-back and in particular as to whether the Share Buy-back is, or is not, fair and reasonable and as to voting;

“SHP Independent Shareholders”	shareholders of Shun Ho Property including (i) Mr. William CHENG Kai Man; (ii) parties acting in concert with Mr. William CHENG Kai Man; (iii) Omnico Company Inc., and Trillion Resources Limited which do not have a material interest in the Share Buy-back which is different from the interests of all other SHP Shareholders, but excluding the Vendor;
“SHP Share(s)”	share(s) in the share capital of Shun Ho Property;
“SHP Shareholder(s)”	holder(s) of SHP Shares;
“Shun Ho Holdings”	Shun Ho Holdings Limited, a company incorporated in Hong Kong with limited liability and listed on the Main Board of the Stock Exchange (stock code: 253), which is the holding company of Shun Ho Property, Magnificent Hotel and the Vendor;
“Shun Ho Holdings Group”	Shun Ho Holdings and its subsidiaries;
“Special Cash Dividend”	a special distribution of cash dividend in the amount of HK\$0.005 per MHI Share, proposed to be recommended to the MHI Shareholders;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time;
“Vendor”	Mercury Fast Limited, a company incorporated in Hong Kong with limited liability, which is a direct wholly-owned subsidiary of Magnificent Hotel; and
“%”	per cent.

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, 10 May 2026

As at the date hereof, the Board of each of Magnificent Hotel, Shun Ho Property and Shun Ho Holdings comprises four Executive Directors, namely, Mr. William Cheng Kai Man (Chairman), Mr. Albert Hui Wing Ho, Madam Kimmy Lau Kam May and Madam Ng Yuet Ying; 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.

In case of any discrepancy between the English version and the Chinese version of this announcement, the English version shall prevail.

All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.