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SHUN HO HOLDINGS LIMITED

(incorporated in Hong Kong with limited liability)

(Stock Code: 253)

**DISCLOSEABLE TRANSACTION
ACQUISITION OF THE PROPERTY**

INTRODUCTION

The Board are pleased to announce that the Purchaser, an indirect subsidiary of the Company, had on 25 February 2020 (after trading hours) entered into the Exchange Contracts for the transaction of the Property with the Vendors for a consideration of GBP2,700,000 (equivalent to approximately HK\$27,224,000).

EXCHANGE CONTRACTS

Date 25 February 2020

Completion date on or before 17 March 2020

Parties:

Vendor An individual person, Independent Third Party, as the Vendor

Purchaser Wood Street Hotel Limited (a private company incorporated in England and Wales with limited liability), an indirect subsidiary of the Company, as the Purchaser

To the best of the knowledge, information and belief of the Board, after making all reasonable enquiries, as at the date of the Exchange Contracts, the Vendor and the ultimate beneficial owner of the Vendor is Independent Third Party, and the Company has not entered into any transaction with the Vendor or its related persons in the 12 months prior to the date of the Exchange Contracts.

THE SALE AND PURCHASE

Under the Exchange Contracts, the Vendor and the Purchaser will be obliged for sale and purchase of the Property on or before 17 March 2020.

CONSIDERATION

The total consideration for the purchase of the Property is GBP2,700,000 (equivalent to approximately HK\$27,224,000) payable in cash by the Purchaser in the following manner:

- (a) GBP270,000 (equivalent to approximately HK\$2,722,000) as initial deposit (the “Initial Deposit”) was paid by the Purchaser to the Vendor’s solicitors upon signing the Exchange Contracts; and
- (b) The balance of the Consideration of GBP2,430,000 (equivalent to approximately HK\$24,502,000) shall be paid by the Purchaser to the Vendor’s solicitors upon Completion.

The amount of the Consideration shall be held by the Vendor’s solicitors as stakeholders who shall release the same to the Vendor upon Completion.

The total consideration was determined after arm’s length negotiations between the parties to the Exchange Contracts and taking into account the prevailing market conditions in UK and the comparable price of the properties in the near area.

COMPLETION OF THE EXCHANGE CONTRACTS

Completion of the Exchange Contracts will take place on or before 17 March 2020.

Upon Completion, the Vendor shall deliver vacant possession of the Property to the Purchaser.

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

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

The 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 Company and its shareholders.

INFORMATION ON THE PROPERTY

The Property is situated at 8 Park St. James, St James's Terrace, London NW8 7LE, approximately 2,052 sq. ft. (191 sq. m.) internal area and is leasehold expires on 20 March 2982. The Property is about 3 miles to the City of London, the financial district of London and is about 15 minutes by car to the Group's Royal Scot Hotel, King Cross and about 20 minutes to the Wood Street Hotel refurbishment project.

The Property is now vacant. There was no rental income attributable to the Property for the year ended 31 December 2017 and 31 December 2018.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The 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 Vendor is an individual person, Independent Third Party.

The Group presently own Royal Scot Hotel, King Cross, London with 400 hotel guest rooms and the recent acquisition of Wood Street Hotel refurbishment project on 29 January 2020. In view of current social instability, economic and tourism difficulties in Hong Kong, the management intends to invest in more UK hotel properties with stable income and development potential because the UK real estate market offers good recurring income and capital gain potential. Therefore, the management consider that it is necessary to acquire the Property for use as the Group's London office, the registered address for Wood Street Hotel Limited and short stay accommodation for project staffs visiting from Hong Kong office.

The management consider the price paid for the acquisition of this Property is reasonable, approximately GBP1,300 per sq. ft. (equivalent to approximately HK\$13,200) for internal area.

LISTING RULES IMPLICATIONS

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

DEFINITIONS

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

“Acquisition”	the acquisition of the Property by the Purchaser under the Exchange Contracts
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Company”	Shun Ho Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	the completion of the Acquisition pursuant to the Exchange Contracts
“Consideration”	the consideration payable by the Purchaser for the Property under the Exchange Contracts
“Director(s)”	director(s) of the Company
“Exchange Contracts”	the exchange contract dated 25 February 2020 entered into between the Vendor and the Purchaser in relation to the Acquisition
“GBP”	British Pound(s), the lawful currency of UK

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of The People’s Republic of China
“Independent Third Party(ies)”	an independent third party(ies) which is not connected with the chief executive, directors and substantial shareholders of the Company or any of its subsidiaries and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	8 Park St. James, St James’s Terrace, London NW8 7LE UK, approximately 2,052 sq. ft. (191 sq. m.) internal area and is leasehold expires on 20 March 2982.
“Purchaser”	Wood Street Hotel Limited (a private company incorporated in England and Wales with limited liability), an indirect subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq. ft.”	square feet
“sq. m.”	square meter
“UK”	the United Kingdom of Great Britain and Northern Ireland
“Vendor”	an individual person, Independent Third Party, as the Vendor
“%”	per cent.

In this announcement, save as otherwise stated, figures in GBP are translated to HK\$ at the exchange rate of GBP1.00 = HK\$10.083 (which represents the median of bank buy and bank sell rates for telegraphic transfer quoted by HSBC at around 4:00 pm on 25 February 2020) for illustration purposes only. No representation is made that any amount in GBP could be converted at such rates or any other rates.

By order of the Board
Shun Ho Holdings Limited

William CHENG Kai Man
Director

Hong Kong, 25 February 2020

As at the date hereof, the Board comprises eight Directors, of which five are 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 is Non-executive Director, namely Madam Mabel Lui Fung Mei Yee; and three are Independent Nonexecutive Directors, namely Mr. Vincent Kwok Chi Sun, Mr. Chan Kim Fai and Mr. Lam Kwai Cheung