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If you are in any doubt as to any aspect of this supplemental circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Magnificent Estates Limited, you should at once hand this supplemental circular and the accompanying second proxy form to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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MAGNIFICENT ESTATES LIMITED

(華大地產投資有限公司)

(Incorporated in Hong Kong with limited liability)

(Stock Code : 201)

**SUPPLEMENTAL CIRCULAR RELATING TO THE
PROPOSALS FOR AMENDMENT TO GENERAL MANDATE LIMIT,
AMENDMENT TO THE SCHEME MANDATE LIMIT ON THE
GRANT OF OPTIONS UNDER THE
EMPLOYEES SHARE OPTION SCHEME AND
SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING**

This supplemental circular should be read together with the circular issued by Magnificent Estates Limited (the “Company”) to the shareholders of the Company (the “Shareholders”) dated 28 April 2014 (the “Circular”).

A notice convening the annual general meeting of the Company to be held at 3rd Floor, Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong on Wednesday, 18 June 2014 at 10:00 a.m. (“AGM”) is set out on pages 11 to 15 of the Circular. A supplemental notice of the AGM dated 29 May 2014 is set out on pages 7 to 10 of this supplemental circular.

Whether or not you are able to attend the AGM in person, you are requested to complete and return the accompanying second proxy form in accordance with the instructions printed thereon. Completion and return of the second proxy form will not preclude the Shareholders from attending and voting at the AGM or any adjournment thereof if you so wish.

29 May 2014

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 3rd Floor, Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong on Wednesday, 18 June 2014 at 10:00 a.m.
“AGM Notice”	the notice dated 28 April 2014 for convening the AGM as set out on pages 11 to 15 of the Circular
“Circular”	the circular dated 28 April 2014 issued by the Company to the Shareholders relating to the proposals for general mandates to buy back shares and to issue shares, mandate to grant options and re-election of retiring directors
“Closing Time”	a time which is not less than 48 hours before the time appointed for the AGM or any adjournment thereof
“Employees Share Option Scheme”	the share option scheme of the Company adopted by the Shareholders at the extraordinary general meeting held on 14 November 2013
“First Proxy Form”	the form of proxy which has been sent to the Shareholders on 28 April 2014 together with the Circular and the accompanying AGM Notice
“Latest Practicable Date”	23 May 2014, being the latest practicable date prior to the printing of this supplemental circular for ascertaining certain information contained herein
“Second Proxy Form”	the new form of proxy enclosed with this supplemental circular

LETTER FROM THE BOARD



MAGNIFICENT ESTATES LIMITED
(華大地產投資有限公司)
(Incorporated in Hong Kong with limited liability)
(Stock Code : 201)

Executive Directors:

Mr. William CHENG Kai Man (*Chairman*)
Mr. Albert HUI Wing Ho

Non-executive Director:

Madam Mabel LUI FUNG Mei Yee

Independent Non-Executive Directors:

Mr. Vincent KWOK Chi Sun
Mr. CHAN Kim Fai
Mr. HUI Kin Hing

Registered Office:

3rd Floor,
Shun Ho Tower,
24-30 Ice House Street,
Central,
Hong Kong

29 May 2014

To the Shareholders

Dear Sir or Madam,

**SUPPLEMENTAL CIRCULAR RELATING TO THE
PROPOSALS FOR AMENDMENT TO GENERAL MANDATE LIMIT,
AMENDMENT TO THE SCHEME MANDATE LIMIT ON THE
GRANT OF OPTIONS UNDER THE
EMPLOYEES SHARE OPTION SCHEME AND
SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

Reference is made to the Circular and the AGM Notice relating to, among others, the general mandate proposed to be granted to the Directors to issue Shares representing up to 20 per cent. of the issued Shares of the Company as at the date of the passing of ordinary resolution at the AGM (the “**General Mandate Limit**”). Reference is also made to the Employees Share Option Scheme pursuant to which the maximum number of Shares which may be issued upon exercise of all options to be granted under the Employees Share Option Scheme shall not in aggregate exceed 10 per cent. of the issued Shares of the Company as at

LETTER FROM THE BOARD

the date of the passing of ordinary resolution approving the Employees Share Option Scheme (“**Share Option Scheme Mandate Limit**”). Unless otherwise defined in this supplemental circular, capitalized terms used herein shall have the same meanings as those defined in the Circular.

In view of the commitment of the Board to high standard of corporate governance, the Board has voluntarily proposed to reduce the General Mandate Limit from 20 per cent. to 10 per cent. and to reduce the Share Option Scheme Mandate Limit from 10 per cent. to 5 per cent. The newly proposed thresholds are lower than the limits permitted under the Listing Rules.

The purpose of this supplemental circular is to provide you with information regarding (1) the change in the proposed resolution for the aforesaid amendment to the General Mandate Limit; (2) the proposed resolution for the aforesaid amendment to the Share Option Scheme Mandate Limit; and (3) the arrangement for completion and submission of the First Proxy Form and the Second Proxy Form; and to give you a supplemental notice of the AGM, which is set out on pages 7 to 10 of this supplemental circular.

2. AMENDMENT TO GENERAL MANDATE LIMIT

It was stated in the Circular that an ordinary resolution would be proposed at the AGM that the Directors be given a general and unconditional mandate to issue during the Relevant Period (as defined in ordinary resolution no.5(2) set out in the AGM Notice) Shares representing up to 20 per cent. of the issued Shares as at the date of the passing of ordinary resolution.

The Directors now propose to seek the approval of the Shareholders at the AGM to grant to the Directors a general and unconditional mandate to issue during the Relevant Period (as defined in ordinary resolution no.5(2) set out in the supplemental notice of the AGM) Shares representing up to 10 per cent. (instead of 20 per cent.) of the issued Shares as at the date of the passing of ordinary resolution. Based on 8,947,051,324 Shares that the Company has in issue as at the Latest Practicable Date and assuming no further Shares will be issued or bought back prior to the date of the AGM, the Directors will be authorized to issue 894,705,132 Shares pursuant to the new General Mandate Limit.

3. AMENDMENT TO THE SCHEME MANDATE LIMIT ON THE GRANT OF OPTIONS UNDER THE EMPLOYEES SHARE OPTION SCHEME

At the extraordinary general meeting of the Company held on 14 November 2013, the Shareholders approved the Employees Share Option Scheme pursuant to which not more than 894,705,132 Shares could be issued upon exercise of all options to be granted under the Employees Share Option Scheme, representing 10 per cent. of the Shares in issue as at the date of the said Shareholders’ approval. It was also stated in the Circular that the said Shareholders’ approval would expire at the conclusion of the AGM by virtue of Section 141 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Directors proposed to seek the approval of the Shareholders at the AGM to grant to the Directors an unconditional mandate to grant share options under the Employees Share Option Scheme during the Relevant Period (i.e. ordinary resolution no. 5(4) set out in the AGM Notice).

LETTER FROM THE BOARD

The Directors now propose to seek the approval of the Shareholders at the AGM to give to the Directors an unconditional mandate to grant options under the Employees Share Option Scheme during the Relevant Period (as defined in the ordinary resolution no. 5(4) set out in the supplemental notice of the AGM) upon exercise of all of which resulting the issue of Shares representing up to 5 per cent. (instead of 10 per cent.) of the issued Shares as at the date of the passing of the ordinary resolution. Based on 8,947,051,324 Shares that the Company has in issue as at the Latest Practicable Date and assuming no further Shares will be issued or bought back prior to the date of the AGM, the Directors will be authorized to grant options for subscription of 447,352,566 Shares under the new Share Option Scheme Mandate Limit.

Save as the aforesaid amendments to the Employee Share Option Scheme, all other terms and conditions under the same remain unchanged.

Listing approval for the listing of, and permission to deal in, the Shares which may be issued pursuant to the exercise of the option that may be granted under the Employees Share Option Scheme in respect of the 10 per cent. Share Option Scheme Mandate Limit had already been granted in November 2013. In view of the reduction of the limit, a new application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares under the 5 per cent. Share Option Scheme Mandate Limit.

4. SECOND PROXY FORM

As a result of the change in the proposed resolution for amendment to the General Mandate Limit and the proposed resolution for amendment to the Employees Share Option Scheme Mandate Limit, the Second Proxy Form containing the aforesaid changes is enclosed with this supplemental circular.

Whether or not you intend to attend and vote at the AGM in person, please complete the accompanying Second Proxy Form in accordance with the instructions printed thereon and return it to the Company's Share Registrars, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not later than the Closing Time.

Special arrangements about completion and submission of the Second Proxy Form are set out in the Appendix to this supplemental circular. Shareholders who have appointed or intend to appoint proxy/proxies to attend the AGM are requested to pay particular attention to the special arrangements set out therein.

Completion and return of the First Proxy Form and the Second Proxy Form will not preclude you from attending and voting at the AGM if you so wished.

LETTER FROM THE BOARD

5. RECOMMENDATION

The Directors believe that the proposed amendments to the General Mandate Limit and the Share Option Scheme Mandate Limit are in the best interest of the Company and its Shareholders as a whole and accordingly the Directors recommend Shareholders to vote in favour of such resolutions to be proposed at the AGM.

By Order of the Board
Magnificent Estates Limited

William CHENG Kai Man
Chairman

A Shareholder who has not yet lodged the First Proxy Form with the Share Registrars of the Company is requested to lodge the Second Proxy Form if he/she/it wishes to appoint proxies to attend the AGM on his/her/its behalf. In this case, the First Proxy Form should not be lodged with the Share Registrars of the Company.

A shareholder who has already lodged the First Proxy Form with the Share Registrars of the Company should note that:

- (i) if no Second Proxy Form is lodged with the Share Registrars of the Company, the First Proxy Form will be treated as a valid proxy form lodged by him/her/it if correctly completed. Although ordinary resolutions nos. 5(2) and 5(4) set out in the AGM Notice are amended and supplemented by the supplemental notice of the AGM, if a Shareholder has only lodged the First Proxy Form but not the Second Proxy Form with the Share Registrars of the Company, it will be deemed that the voting preference of the Shareholder as indicated in the First Proxy Form shall be the same to the Second Proxy Form as if it was lodged. If no such voting preference is indicated in the First Proxy Form, the proxy so appointed by the Shareholder will be entitled to vote at his/her/its discretion or to abstain from voting on any resolution properly put to the AGM set out in the AGM Notice, as supplemented by the supplemental notice of the AGM;
- (ii) if the Second Proxy Form is lodged with the Share Registrars of the Company before the Closing Time, the Second Proxy Form, if correctly completed, will be treated as a valid proxy form lodged by the Shareholder and will revoke and supersede the First Proxy Form previously lodged by him/her/it; or
- (iii) if the Second Proxy Form is lodged with the Share Registrars of the Company after the Closing Time, or if lodged before the Closing Time but is incorrectly completed, the Second Proxy Form will be invalid. The First Proxy Form, if correctly completed, will be treated as a valid proxy form lodged by the Shareholder. The arrangement as mentioned in (i) above shall apply as if no Second Proxy Form was lodged with the Share Registrars of the Company.

Completion and return of the First Proxy Form and/or the Second Proxy Form will not preclude you from attending and voting at the AGM if you so wish. Shareholders who have appointed or intend to appoint proxy/proxies to attend the AGM are requested to pay attention to the special arrangements set out above.

SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING



MAGNIFICENT ESTATES LIMITED

(華大地產投資有限公司)

(Incorporated in Hong Kong with limited liability)

(Stock Code : 201)

SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

This notice is supplemental to the notice of the annual general meeting published on 28 April 2014 (the “**AGM Notice**”) by Magnificent Estates Limited (the “**Company**”) which set out the resolutions to be considered by shareholders at the annual general meeting of the Company (the “**AGM**”) to be held at 3rd Floor, Ramada Hong Kong Hotel, 308 Des Voeux Road West, Hong Kong on Wednesday, the 18th day of June 2014 at 10:00 a.m.

Details of the proposed resolutions to be considered at the AGM were stated in the AGM Notice. Unless otherwise stated, terms defined herein shall have the same meanings as those defined in the circular of the Company dated 28 April 2014. Apart from the amendments stated below, all the information contained in the AGM Notice remains to be valid and effective.

1. Resolution numbered 5(2) stated in the AGM Notice should be deleted in its entirety and replaced by the following:

(2) “**THAT:**

- (a) subject to paragraph (c) of this resolution and pursuant to Sections 140 and 141 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with additional shares of the Company and to make and grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require shares to be allotted be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorize the directors of the Company during the Relevant Period to make and grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require shares to be allotted after the end of the Relevant Period;

SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

(c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or other securities issued by the Company which carry rights to subscribe for or are convertible into shares of the Company or (iii) the exercise of options under any option scheme or similar arrangement for the time being adopted for the grant or issue to the grantees as specified in such scheme or similar arrangement of shares or rights to acquire shares of the Company or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company, shall not exceed 10% of the aggregate number of the shares of the Company in issue (subject to adjustment in the case of subdivision or consolidation of shares) at the date of the passing of this resolution and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution; and

“Rights Issue” means an offer of shares or issue of options, warrants or other securities giving the right to subscribe for shares of the Company open for a period fixed by the directors of the Company to holders of shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares of the Company (or, where appropriate such other securities) (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

2. Resolution numbered 5(4) stated in the AGM Notice should be deleted in its entirety and replaced by the following:

(4) **“THAT:**

(a) subject to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the terms and conditions of the amended employees’ share option scheme, a copy of which is produced to the meeting and signed by the chairman of the meeting for the purposes of identification (the **“Employees Share Option Scheme”**), a mandate be and is hereby unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined in paragraph (c) below) all the powers of the Company to grant options to subscribe for shares of the Company and/or to make or grant offers of options under the Employees Share Option Scheme that would or might require shares of the Company to be allotted and/or options to be granted under the Employees Share Option Scheme representing an amount up to 5 per cent. of the issued shares of the Company as at the day on which this resolution is passed;

(b) the approval in paragraph (a) of this Resolution shall authorise the directors of the Company during the Relevant Period to grant options and/or make offers of options under the Employees Share Option Scheme which would or might require the exercise of such power after the end of the Relevant Period;

(c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or

(iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

By Order of the Board

HUEN Po Wah
Company Secretary

Hong Kong, 29 May, 2014

SUPPLEMENTAL NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A second proxy form is enclosed with this supplemental circular of the Company dated 29 May 2014. The first proxy form dispatched together with the circular of the Company dated 28 April 2014 is superseded by the second proxy form.
2. Please refer to the AGM Notice for details of the other ordinary resolutions to be passed at the AGM, appointment of proxy and other relevant matters.