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建業實業有限公司
Chinney Investments, Limited
(Incorporated in Hong Kong with limited liability)
(Stock Code: 216)



漢國置業有限公司
Hon Kwok Land Investment Company, Limited
(Incorporated in Hong Kong with limited liability)
(Stock Code: 160)

JOINT ANNOUNCEMENT

VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE DISPOSAL OF THE LAND AND RESUMPTION OF TRADING

THE DISPOSAL

The directors of Chinney Investments and Hon Kwok are pleased to announce that on 19 January 2017 (after trading hours), Cheerworld (an indirect wholly-owned subsidiary of Hon Kwok) as vendor, Hon Kwok as guarantor of the Vendor and Sunshine City as purchaser entered into the Agreement, pursuant to which the Vendor has conditionally agreed to sell the Sale Share and procure the assignment of the Sale Loans to the Purchaser at the Consideration provided for in the Agreement, which is expected to be the Hong Kong dollar equivalent of approximately RMB3,181,241,120, subject to the Adjustments. The Sale Share represents the entire issued share capital of the BVI Target, which owns the share representing the entire issued share of the HK Target. The HK Target in turn owns 75% equity interests in the PRC Target, which in turn is the registered and beneficial owner of the Land.

LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Disposal are more than 75% for Chinney Investments and/or Hon Kwok, the Disposal constitutes a very substantial disposal for both Chinney Investments and Hon Kwok under Chapter 14 of the Listing Rules and is subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules for both Chinney Investments and Hon Kwok. Chinney Investments EGM and Hon Kwok EGM will be convened and held for the shareholders of Chinney Investments and Hon Kwok respectively to consider and, if thought fit, to approve the Agreement and the transactions contemplated thereunder.

To the best knowledge of the directors of both Chinney Investments and Hon Kwok, as the Purchaser is an independent third party of Chinney Investments and Hon Kwok and no shareholder of Chinney Investments or Hon Kwok has a material interest in the Disposal and accordingly, none of the shareholders of Chinney Investments and Hon Kwok and their respective close associates is required to abstain from voting in respect of the ordinary resolution to approve the Agreement and the transactions contemplated thereunder at Chinney Investments EGM and Hon Kwok EGM.

GENERAL

A circular containing, among other things, (i) further information relating to the Agreement and the transactions contemplated thereunder, (ii) an independent valuation report in relation to the Land, (iii) the notices convening Chinney Investments EGM/Hon Kwok EGM, respectively, and (iv) other information as required under the Listing Rules, is expected to be despatched to the respective shareholders of Chinney Investments and Hon Kwok on or before 4 March 2017, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Completion of the Disposal is conditional upon the satisfaction or (where applicable) waiver of the Conditions Precedent. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors of Chinney Investments and Hon Kwok are therefore advised to exercise caution when dealing in the shares of Chinney Investments and Hon Kwok, respectively.

RESUMPTION OF TRADING

At the request of Chinney Investments and Hon Kwok, trading in the shares of each of Chinney Investments and Hon Kwok on the Stock Exchange was halted with effect from 9:00 a.m. on Friday, 20 January 2017 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of each of Chinney Investments and Hon Kwok on the Stock Exchange with effect from 9:00 a.m. on Wednesday, 25 January 2017.

INTRODUCTION

The directors of Chinney Investments and Hon Kwok are pleased to announce that on 19 January 2017 (after trading hours), Cheerworld (an indirect wholly-owned subsidiary of Hon Kwok) as vendor, Hon Kwok as guarantor of the Vendor and Sunshine City as purchaser entered into the Agreement, pursuant to which the Vendor has conditionally agreed to sell the Sale Share and procure the assignment of the Sale Loans to the Purchaser at the Consideration provided for in the Agreement, which is expected to be the Hong Kong dollar equivalent of approximately RMB3,181,241,120, subject to the Adjustments. The Adjustments are estimated to be no more than 1% of the Hong Kong dollar equivalent of the said sum of RMB3,181,241,120. The Sale Share represents the entire issued share capital of the BVI Target, which owns the share representing the entire issued share of the HK Target. The HK Target in turn owns 75% equity interests in the PRC Target, which in turn is the registered and beneficial owner of the Land.

THE AGREEMENT

Date of Signing

19 January 2017 (after trading hours)

Effective Date

The date of payment of the Deposit by the Purchaser to the fellow subsidiary of the Vendor.

Parties

- Vendor : Cheerworld, an indirect wholly-owned subsidiary of Hon Kwok
- Purchaser : Sunshine City
- Vendor's Guarantor : Hon Kwok. Hon Kwok was joined in as a party to the Agreement to guarantee the performance of certain obligations of the Vendor under the Agreement.

As at the date of this announcement, to the best of the knowledge, information and belief of the directors of Chinney Investments and Hon Kwok, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of Chinney Investments and Hon Kwok and their connected persons.

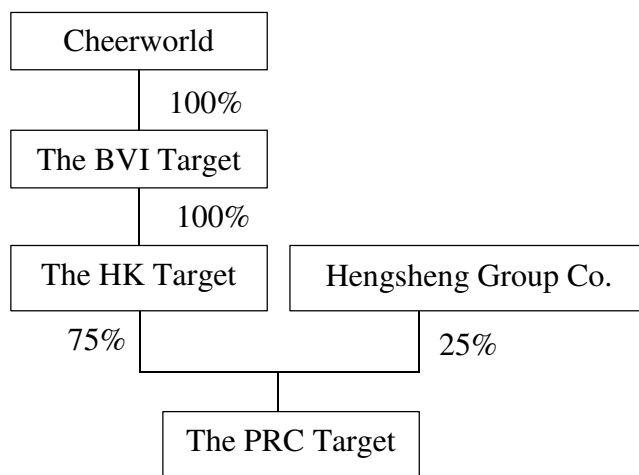
Assets to be disposed of

As at the date of this announcement, the Vendor holds the Sale Share, being the share representing the entire issued share capital of the BVI Target. Pursuant to the Agreement, the Vendor agreed to sell and transfer the Sale Share free from encumbrance to the Purchaser upon the terms and conditions of the Agreement. As at the date of this announcement, the BVI Target owns the share representing the entire issued share of the HK Target, which in turn owns 75% equity interests in the PRC Target. The PRC Target in turn is the registered and beneficial owner of the Land.

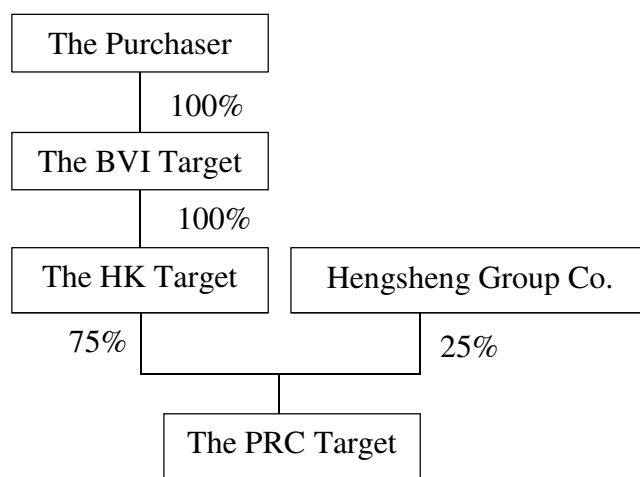
As at the date of this announcement, Hon Kwok (China) and Hon Kwok (Shenzhen), being fellow subsidiaries of the Vendor, hold the Sale Loans owing by the BVI Target and the PRC Target, respectively. Pursuant to the Agreement, the Vendor agreed to procure Hon Kwok (China) as an offshore assignor to assign the Offshore Loan, and the Vendor agreed to procure Hon Kwok (Shenzhen) as an onshore assignor to assign the Onshore Loan both to the Purchaser free from encumbrance each at a gross consideration equal to the principal sum of the relevant Sale Loans upon the terms and conditions of the Offshore Loan Assignment and the Onshore Loan Assignment, respectively.

The following diagrams illustrate the changes in shareholding structure of the Target Group before and after the Completion:

Before Completion



After Completion



Consideration and Deposit

Subject to the Adjustments, the Consideration is expected to be the Hong Kong dollar equivalent of approximately RMB3,181,241,120, which consists of the consideration for the disposal of the Sale Share (the “**Sale Share Consideration**”) and the consideration for the assignment of the Sale Loans (which comprises the Onshore Loan and the Offshore Loan) in the amount of the principal sum thereof (the “**Sale Loans Consideration**”) respectively. As at the date of the Agreement, the principal amount of the Offshore Loan that remained outstanding was HK\$265,115,467 and the principal amount of the Onshore Loan that remained outstanding was RMB87,499,504. The possibility that there will be minor variations in the outstanding principal amounts of the Offshore Loan and the Onshore Loan respectively as at Completion compared to their respective outstanding principal amounts as at the date of the Agreement cannot be ruled out. Assuming that the exchange rate of HK\$100=RMB88.830 mentioned below is applied, as at the date of the Agreement, the principal amount of the Offshore Loan that remained outstanding when expressed in RMB was RMB235,502,069, the Sale Loans Consideration was RMB323,001,573 and the Sale Share Consideration was expected to be the Hong Kong dollar equivalent of approximately RMB2,858,239,547 subject to the Adjustments.

A deposit of RMB300,000,000 shall be paid by the Purchaser to the fellow subsidiary of the Vendor as designated by the Vendor on or before 10 February 2017 after the signing of the Agreement and shall be dealt with in the following manner:

- (a) after Completion, within 3 Business Days upon receipt by the Vendor of all the Share Consideration Completion Payment (as defined below), by Hon Kwok (China) of the consideration for the assignment of the Offshore Loan under the Offshore Loan Assignment and by Hon Kwok (Shenzhen) of the consideration for the assignment of the Onshore Loan under the Onshore Loan Assignment, the Vendor shall procure its fellow subsidiary that has received the Deposit from the Purchaser to return the Deposit (with interest calculated with reference to the benchmark interest rate of 3-month time deposit set by the People’s Bank of China) to the Purchaser (it being acknowledged that no part of the Deposit is intended for part payment of the Consideration at Completion subject however to the Purchaser’s right to use the Deposit and the interest to set off the consideration for the assignment of the Onshore Loan if there is no payment default by the Purchaser at Completion, the Purchaser’s payment of the Deposit is an expression of sincerity in the transaction and there is no restriction on the use of the Deposit by the Vendor or its fellow subsidiary that has received the Deposit);

- (b) in the event of termination of the Agreement owing to the Conditions Precedent not having been fulfilled or waived before the Long Stop Date or any force majeure events, the Vendor shall return the Deposit (with interest calculated with reference to the benchmark interest rate of 3-month time deposit set by the People's Bank of China) to the Purchaser within 3 Business Days upon the Termination Date;
- (c) in the event that the Disposal fails to proceed to Completion due to the willful conduct of the Purchaser, or termination of the Agreement by the Purchaser without any of the grounds for termination as permitted under the Agreement, the Deposit shall be forfeited and the Vendor shall become entitled to the same; and
- (d) in the event that the Disposal fails to proceed to Completion due to the willful conduct of the Vendor, or termination of the Agreement by the Vendor without any of the grounds for termination as permitted under the Agreement, the Vendor shall return the Deposit together with the liquidated damages in the amount equivalent to the Deposit to the Purchaser within 3 Business Days upon the Termination Date.

Payment and Adjustments

Pursuant to the Agreement: (a) the Sale Share Consideration (subject to part of the Adjustments mentioned below) less any withholding of tax payable by the Vendor legitimately made by the Purchaser / relevant payor pursuant to the Agreement (such difference is hereinafter called "**Share Consideration Completion Payment**") shall be satisfied and paid by the Purchaser in cash to the Vendor and such payment shall be in the sum of the Hong Kong dollar equivalent amount and the exchange rate to be applied in calculating such Hong Kong dollar equivalent amount shall be HK\$100=RMB88.830; (b) the consideration for the assignment of the Offshore Loan shall be satisfied and paid by the Purchaser in cash to Hon Kwok (China); and (c) the consideration for the assignment of the Onshore Loan shall be satisfied and paid by the Purchaser in cash to Hon Kwok (Shenzhen), all such payment shall take place on the Completion Date.

The Sale Share Consideration shall be adjusted with reference to: (a) the actual permitted increased building area of the Land, (b) the deposit balance, cash balance and indebtedness balance of the Target Group, and (c) the amount of agreed operating expenses to be incurred by the Target Group (which adjustments are hereinafter called the "**Adjustments**"). Based on the information currently available, the Adjustments are expected not to be material.

Pursuant to the Agreement, the Vendor and the Purchaser shall confirm the Share Consideration Completion Payment in writing on the day of satisfaction of the Conditions Precedent and 3 Business Days preceding the Completion Date.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to, among others, the prevailing market price of similar properties in the relevant location and internal valuation of the Land on market and existing condition basis by the directors after taking into account (i) the fact that the Land is not wholly owned by Hon Kwok Group; and (ii) tax consideration. The adjusted net asset value of the Target Group (after taking into account the above internal valuation and before inter-company loans) is approximately HK\$3.53 billion (equivalent to approximately RMB3.14 billion at an exchange rate of HK\$100=RMB88.830) which is comparable to the Consideration.

Guarantee

Hon Kwok, the holding company of the Vendor, agreed to guarantee the due observance and performance of certain obligations of the Vendor and/or its fellow subsidiaries as contained in and in accordance with the Agreement (including the obligations regarding return of Deposit, payment of liquidated damages, indemnity and taxation). Claims under such guarantee granted by Hon Kwok in favour of the Purchaser can only be made within 24 months from the Completion Date and are subject to other limitations for claims under the Agreement.

Conditions Precedent

Completion is subject to satisfaction or waiver by the Purchaser (as to conditions (d) and (g) below) or the Vendor (as to condition (f)) of the following Conditions Precedent:

- (a) compliance of all the notification, announcement and other procedures relating to the Agreement and the transactions contemplated thereunder by Chinney Investments and Hon Kwok under the Listing Rules and no objection raised by the Stock Exchange thereon;
- (b) approval for the Disposal from the shareholders at Chinney Investments EGM having been obtained;
- (c) approval for the Disposal from the shareholders at Hon Kwok EGM having been obtained;
- (d) consent notice or other approval, order etc. having been obtained from the competent PRC authority(ies) confirming that the plot ratio of the Land already includes increase of building area of 18,828.56 square metres by reason of certain arrangements for transfer of plot ratio from a real estate project in Guangzhou undertaken by a fellow subsidiary of the Vendor;
- (e) the approval, record, registration and consent necessary for effecting the transactions contemplated by the Agreement and other related transaction documents by the Purchaser from the National Development Reform Commission, the Ministry of Commerce and the State Administration of Foreign Exchange or their authorized institutions required having been obtained;
- (f) the tax actually borne by the Vendor and its connected parties in respect of the Disposal (other than stamp duty in respect of the transaction documents for the Disposal) shall not exceed 10% of the difference between the Sale Share Consideration and 75% of the registered capital of the PRC Target;
- (g) approval for the Disposal from the board of directors of the Purchaser having been obtained; and
- (h) the BVI Target being the sole legal and beneficial shareholder of the share representing the entire issued and paid-up capital of the HK Target, which holds 75% equity interests in the PRC Target.

If the Conditions Precedent are not fulfilled on or before 31 August 2017 (or such other later date or otherwise agreed between the Vendor and the Purchaser), the Agreement will terminate, the Deposit shall be dealt with in the manners mentioned above.

Completion

Subject to satisfaction and/or waiver (as the case may be) of the Conditions Precedent, Completion shall take place on the fifth Business Day after all the Conditions Precedent have been satisfied or waived (as the case may be) or such other date as may be agreed by the Vendor and the Purchaser in writing.

The parties agree that the sale and purchase of the Sale Share and the Sale Loans together form an integral transaction and therefore are inter-conditional, i.e. completion of the sale and purchase of the Sale Share and the assignment of the Sale Loans shall be carried out simultaneously.

Upon Completion, the Target Group will cease to be subsidiaries of Chinney Investments and Hon Kwok and the assets, liabilities and results of the Target Group will cease to be consolidated into the consolidated financial statements of Chinney Investments Group and Hon Kwok Group.

INFORMATION ON THE TARGET GROUP

The BVI Target is an investment holding company with the sole purpose of holding the legal and beneficial interest of all issued share in the HK Target, which is an investment holding company and holds 75% equity interests of the PRC Target. The PRC Target is a property development company with the sole purpose of holding the Land situated at Tian He District, Guangzhou City, the PRC and carrying on the real estate development project in respect of the Land. The real estate development project of the Land mainly consists of the residential apartment buildings, the club building, and other public construction buildings (e.g. the bus terminus, the market complex, the nursery school, the primary school and the secondary school etc.). As of the date of the Agreement, the development of the Land was at its planning and zoning stage, and no substantial construction work on the Land has been started by the PRC Target yet.

A summary of the unaudited consolidated financial information of the Target Group for the two years ended 31 March 2015 and 2016 is set out below:

	For the year ended 31 March	
	2015 <i>(HK\$'000)</i>	2016 <i>(HK\$'000)</i>
Net profit (loss) before taxation and extraordinary items and before non-controlling interests	(418)	(83)
Net profit (loss) after taxation and extraordinary items but before non-controlling interests	(418)	(83)

The unaudited consolidated total asset value and net asset value (after non-controlling interests and before inter-company loans) of the Target Group as at 31 March 2016 are approximately HK\$483,389,000 and HK\$417,156,000 respectively.

INFORMATION ON CHINNEY INVESTMENTS, HON KWOK AND THE VENDOR

Chinney Investments is an investment holding company incorporated in Hong Kong with limited liability. Chinney Investments Group (excluding Hon Kwok Group) is mainly engaged in garment manufacturing and trading and general investment.

Hon Kwok is an investment holding company incorporated in Hong Kong with limited liability. Hon Kwok Group is mainly engaged in property development, property investment and property related businesses.

The Vendor is an indirect wholly-owned subsidiary of Hon Kwok and an investment holding company incorporated in the BVI with limited liability.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in the PRC and is principally engaged in real estate development and property management both in the PRC.

As of 30 September 2016, Shanghai Jiawen Investment Management Co., Ltd. (上海嘉聞投資管理有限公司), Fujian Yangguang Group Co., Ltd. (福建陽光集團有限公司), Dongfang Xinlong Asset Management Co., Ltd. (東方信隆資產管理有限公司) and Fujian Kangtian Group Co., Ltd. (福建康田實業集團有限公司) held 18.04%, 17.51%, 13.73% and 10.17% of the issued shares of the Purchaser respectively.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The directors of Chinney Investments and Hon Kwok believe that the Disposal represents a good opportunity for the Vendor to realize its investment in the Land at a reasonable return. The Disposal will strengthen the financial position and enhance the cashflow of Chinney Investments Group and Hon Kwok Group.

Assuming there is no adjustment to the Consideration, based on the expected consideration of Hong Kong dollar equivalent of approximately RMB3,181,241,120 and the unaudited net asset value of the Target Group (excluding the inter-company loans owed by the Target Group to Hon Kwok Group) as at 30 November 2016, Hon Kwok Group is expected to record an estimated net gain from the Disposal of approximately HK\$2.2 billion while Chinney Investments Group is expected to record an estimated net gain from the Disposal of approximately HK\$1.5 billion. Such net gains have taken into account the estimated expenses in relation to the Disposal. However, the actual amount of net gains from the Disposal can only be determined after Completion as part of the Adjustments is only to be done after Completion.

Hon Kwok Group currently intends to use, subject to actual circumstances and decision of its board of directors when concrete details of proposed uses are put forward for consideration, the net sale proceeds from the Disposal as to approximately 30% for partial repayment of outstanding bank loans, approximately 40% for general working capital requirements and the remaining for other investment opportunities in Hong Kong in respect of property market depending on the then prevailing market conditions. As at the date of this announcement, the outstanding bank loans of Hon Kwok Group is approximately HK\$5 billion with maturity dates mainly within five years.

The directors of Chinney Investments and Hon Kwok currently have no intention to change their respective existing businesses and there is currently no agreement, arrangement, understanding, intention, negotiation (concluded or otherwise) on (i) any disposal (save and except responding to enquiries about interest in or negotiation invitation received from time to time in the ordinary course of business) /termination/scaling-down any part of their respective business; (ii) injection of any other new business; and (iii) any change in their respective shareholding structure.

The directors (including the independent non-executive directors) of Chinney Investments and Hon Kwok consider that the terms of the Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the shareholders of Chinney Investments and Hon Kwok as a whole.

LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the Disposal are more than 75%, the Disposal constitutes a very substantial disposal for both Chinney Investments and Hon Kwok under Chapter 14 of the Listing Rules and is subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules for both Chinney Investments and Hon Kwok. Chinney Investments EGM and Hon Kwok EGM will be convened and held for the shareholders of Chinney Investments and Hon Kwok respectively to consider and, if thought fit, to approve the Agreement and the transactions contemplated thereunder.

To the best knowledge of the directors of both Chinney Investments and Hon Kwok, as the Purchaser is an independent third party of Chinney Investments and Hon Kwok and no shareholder of Chinney Investments or Hon Kwok has a material interest in the Disposal, none of the shareholders of Chinney Investments and Hon Kwok and their respective close associates is required to abstain from voting in respect of the ordinary resolution to approve the Agreement and the transactions contemplated thereunder at Chinney Investments EGM and Hon Kwok EGM.

GENERAL

A circular containing, among other things, (i) further information relating to the Agreement and the transactions contemplated thereunder, (ii) an independent valuation report in relation to the Land, (iii) the notices convening Chinney Investments EGM/Hon Kwok EGM, respectively, and (iv) other information as required under the Listing Rules, is expected to be despatched to the respective shareholders of Chinney Investments and Hon Kwok on or before 4 March 2017, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Completion of the Disposal is conditional upon the satisfaction or (where applicable) waiver of the Conditions Precedent. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors of Chinney Investments and Hon Kwok are therefore advised to exercise caution when dealing in the shares of Chinney Investments and Hon Kwok, respectively.

RESUMPTION OF TRADING

At the request of Chinney Investments and Hon Kwok, trading in the shares of each of Chinney Investments and Hon Kwok on the Stock Exchange was halted with effect from 9:00 a.m. on Friday, 20 January 2017 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of each of Chinney Investments and Hon Kwok on the Stock Exchange with effect from 9:00 a.m. on Wednesday, 25 January 2017.

DEFINITIONS

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

“Adjustments”	the adjustments to be made to the Consideration in accordance with the terms and conditions of the Agreement as set out in the section headed “Payment and Adjustments” in this announcement
“Agreement”	the sale and purchase agreement dated 19 January 2017 entered into between Cheerworld, as vendor, Hon Kwok, as guarantor of the Vendor and Sunshine City, as purchaser, for the Disposal
“Business Day”	Monday to Friday but excluding public holidays in the Cayman Islands, the BVI, Hong Kong and the PRC
“BVI”	the British Virgin Islands
“BVI Target”	Smooth Ever Investments Limited, a company incorporated in the BVI with limited liability
“Cheerworld” / “Vendor”	Cheerworld Group Limited, a company incorporated in the BVI with limited liability
“Chinney Investments”	Chinney Investments, Limited (建業實業有限公司), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Stock Exchange (Stock Code: 216), and is the holding company of Hon Kwok
“Chinney Investments EGM”	the extraordinary general meeting of Chinney Investments to be convened and held to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder
“Chinney Investments Group”	Chinney Investments and its subsidiaries
“close associates”	has the meaning as ascribed to it under the Listing Rules
“Completion”	completion of the Disposal

“Completion Date”	the date on which Completion shall take place in accordance with the terms of the Agreement
“Conditions Precedent”	conditions precedent to the Completion as set out in the section headed “Conditions Precedent” in this announcement
“Consideration”	consideration for the Disposal, being the aggregate of the Sale Share Consideration and the Sale Loans Consideration
“connected persons”	has the meaning as ascribed to it under the Listing Rules
“Deposit”	the deposit in the amount of RMB300,000,000 payable by the Purchaser to the fellow subsidiary of the Vendor established in the PRC in accordance with the Agreement
“Disposal”	the proposed disposal of the Sale Share and the Sale Loans
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hengsheng Group Co”	Guangzhou Hengsheng Group Co. Ltd. (廣州市恒生集團有限公司), a company incorporated in the PRC with limited liability
“HK Target”	Cityland Holdings Limited (港滙集團有限公司), a company incorporated in Hong Kong with limited liability
“Hon Kwok”	Hon Kwok Land Investment Company, Limited (漢國置業有限公司), a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the Stock Exchange (Stock Code: 160)
“Hon Kwok (China)”	Hon Kwok Land Investment (China) Limited (漢國置業(中國)有限公司), a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of Hon Kwok
“Hon Kwok EGM”	the extraordinary general meeting of Hon Kwok to be convened and held to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder
“Hon Kwok Group”	Hon Kwok and its subsidiaries
“Hon Kwok (Shenzhen)”	Hon Kwok Land Investment (Shenzhen) Co., Ltd. (漢國置業(深圳)有限公司), a company incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of Hon Kwok
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Land”	the land on which the real estate development is intended to be developed, namely (a) one parcel of land situated at the wireless mould factory, Dongguang Zhuang, Tian He District, Guangzhou City, the PRC (land use certificate number: Suiguo Yong (2004) Di 10039 Hao) with land use area of 39,312 square metres; (b) one parcel of land situated at Dongguang Zhuang, Tian He District, Guangzhou City, the PRC (land use certificate number: Suiguo Yong (2005) Di 10017 Hao) with land use area of 56,070 square metres; and (c) the municipal road land and the city public green belt land outside of the scope of the foregoing two parcels of the land (without land use certificate)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Assignments”	the Onshore Loan Assignment and the Offshore Loan Assignment
“Long Stop Date”	31 August 2017 or such other date as agreed by the Purchaser and the Vendor in writing
“Offshore Loan Assignment”	a deed of assignment to be entered into between Hon Kwok (China), as assignor, and the Purchaser, as assignee, for the Offshore Loan
“Onshore Loan Assignment”	a deed of assignment to be entered into between Hon Kwok (Shenzhen), as assignor, and the Purchaser, as assignee, for the Onshore Loan
“Offshore Loan”	the loan owing by the BVI Target to Hon Kwok (China) as at the date of Completion (the amount as at the date of the Agreement being HK\$265,115,467)
“Onshore Loan”	the loan owing by the PRC Target to Hon Kwok (Shenzhen) as at the date of Completion (the amount as at the date of the Agreement being RMB87,499,504)
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong
“PRC Target”	Guangzhou Honkwok Hengsheng Land Development Ltd. 廣州市漢國恒生房地產開發有限公司, a company incorporated in the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Loans”	the Onshore Loan and the Offshore Loan
“Sale Loans Consideration”	has the meaning ascribed to it in this announcement

“Sale Share”	the share representing the entire issued share capital of the BVI Target
“Sale Share Consideration”	has the meaning ascribed to it in this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sunshine City” / “Purchaser”	Sunshine City Group Co., Ltd. (also known as Yango City Group Co., Ltd.) 陽光城集團股份有限公司, a company incorporated in the PRC with limited liability and the shares of which are listed on the Shenzhen Stock Exchange
“Target Group”	the BVI Target, the HK Target and the PRC Target collectively
“Termination Date”	the date on which termination of the Agreement takes place
“%”	per cent

By Order of the Board
Chinney Investments, Limited
Louisa Kai-Nor Siu
Company Secretary

By Order of the Board
Hon Kwok Land Investment Company, Limited
Thomas Hang-Cheong Ma
Company Secretary

Hong Kong, 24 January 2017

At the date of this announcement, the directors of Chinney Investments are Dr. James Sai-Wing Wong (Chairman) and Mr. Herman Man-Hei Fung (Managing Director) as executive directors; Mr. William Chung-Yue Fan, Mr. Paul Hon-To Tong and Mr. James Sing-Wai Wong as non-executive directors; and Dr. Clement Kwok-Hung Young, Mr. Peter Man-Kong Wong and Mr. James C. Chen as independent non-executive directors.

At the date of this announcement, the directors of Hon Kwok are Dr. James Sai-Wing Wong (Chairman), Mr. Yuen-Keung Chan and Mr. Xiao-Ping Li as executive directors; Mr. Herman Man-Hei Fung (Vice-Chairman) and Dr. Emily Yen Wong as non-executive directors; and Dr. Daniel Chi-Wai Tse, Mr. Zuo Xiang and Mr. William Kwan-Lim Chu as independent non-executive directors.